

STAND. COM. REP. NO. 3429

Honolulu, Hawaii

APR 04 2008

RE: H.B. No. 2137
H.D. 2
S.D. 3

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2137, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to offset the financial burden incurred by organ donors and to defray the costs to medical providers of converting to an electronic records systems.

Specifically this measure:

- (1) Provides a one-time individual income tax credit of an unspecified amount to offset the financial costs of organ donation; and
- (2) Provides an income tax credit to licensed physicians who participate in an insurer's grant program, to offset the costs of establishing and implementing an electronic medical records system.

Testimony in support of this measure as submitted by Organ Donor Center of Hawaii and Team Praxis. Comments on this measure were submitted by the Department of Taxation, Tax Foundation of Hawaii, and Hawaii Medical Services Association.

Your Committee finds that this measure will help to offset the unreimbursed costs associated with organ donation and provide

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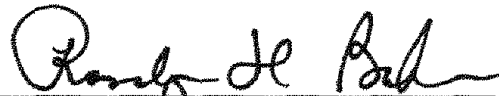
a means for those who may wish to donate an organ but are prevented by the financial expense. In addition, your Committee believes that the increased use of electronic medical records systems in Hawaii will benefit both patients and doctors. Your Committee finds that a tax credit may offer an added incentive to independent physicians to transition to electronic medical records systems.

Your Committee has amended this measure by:

- (1) Clarifying that qualifying physicians must be independent physicians licensed under chapter 453 or 460, Hawaii Revised Statutes so as not to exclude osteopathic physicians and surgeons;
- (2) Clarifying that the training, installation, and technical support for the electronic medical records system is provided by experienced vendors; and
- (3) Making nonsubstantive technical amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2137, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2137, H.D. 2, S.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



