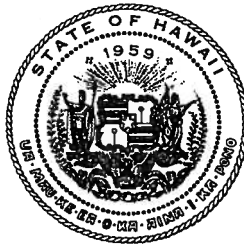


STATE OF HAWAII
OFFICE OF THE AUDITOR
465 S. King Street, Room 500
Honolulu, Hawaii 96813-2917



MARION M. HIGA
State Auditor

(808) 587-0800
FAX: (808) 587-0830

July 21, 2008

The Honorable Colleen Hanabusa
President of the Senate
State Capitol, Room 409
Honolulu, Hawaii 96813

Re: House Concurrent Resolution No. 62, House Draft 1, Senate Draft 1

Dear Madam President:

In House Concurrent Resolution No. 62, House Draft 1, Senate Draft 1, the 2008 Legislature has requested a study of the social and financial impact of mandatory health insurance coverage for use of medical surveillance systems pursuant to Sections 23-51 and 23-52, Hawaii Revised Statutes (HRS). The proposed measure referenced for study is Senate Bill No. 409, Senate Draft 2, House Draft 1.

Based on our preliminary review of the relevant measures, we found that the definition of "medical surveillance systems" in Senate Bill No. 409, Senate Draft 2, House Draft 1, is identical to the definition of "intelligent medical vigilance" reported about in our *Study of the Social and Financial Impacts of Mandatory Health Insurance Coverage for Use of Intelligent Medical Vigilance Services in Acute Care Hospitals*, Report No. 08-05, March 2008. As defined in Senate Bill No. 409, Senate Draft 2, House Draft 1, "medical surveillance system" does not refer to a specific health care service subject to an assessment under Section 23-51, HRS. For this reason, an impacts assessment by us of medical surveillance systems would result in the same finding and conclusion as our previous report. Therefore, we will undertake no further study for our part of this concurrent resolution.

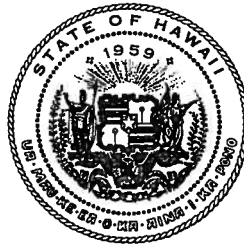
Copies of the letters to the Senate President and House Speaker will be placed on our website, www.state.hi.us/auditor.

Sincerely,

Marion M. Higa
State Auditor

c: Carol Taniguchi, Senate Clerk

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July 21, 2008

The Honorable Calvin K.Y. Say
Speaker of the House of Representatives
State Capitol, Room 431
Honolulu, Hawaii 96813

Re: House Concurrent Resolution No. 62, House Draft 1, Senate Draft 1

Dear Mr. Speaker:

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Sincerely,

Marion M. Higa
State Auditor

c: Kevin Kuroda, House Sgt.-At-Arms
Pat Mau-Shimizu, House Chief Clerk