

Honolulu, Hawaii

FEB 14 2025

RE: S.B. No. 1449
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred S.B. No. 1449 entitled:

"A BILL FOR AN ACT RELATING TO PRIOR AUTHORIZATION OF HEALTH CARE SERVICES,"

begs leave to report as follows:

The purpose and intent of this measure is to require any utilization review entity in the State to submit to the State Health Planning and Development Agency data relating to prior authorization of health care services.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Academy of Family Physicians, Hawaii Provider Shortage Crisis Task Force, Hawaii Medical Association, Hawaii Society of Clinical Oncology, Association for Clinical Oncology, and four individuals.

Your Committee received comments on this measure from the Hawaii Association of Health Plans, Kaiser Permanente Hawai'i, and Hawaii Medical Service Association.

Your Committee finds that prior authorization is a health plan cost-control process that requires physicians and other health care professionals to obtain advance approval from a health plan before a specific service is delivered to a patient to qualify for payment coverage. Your Committee further finds that



there is emerging consensus among health care providers that prior authorization increases administrative burdens as each health plan has its own policies and procedures that health care providers are forced to navigate. This measure requires data reporting on prior authorization of health care services to support meaningful transparency as a tool to hold utility review entities accountable for making timely, accurate, consistent, and equitable prior authorization decisions.

Your Committee has amended this measure by:

- (1) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1449, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1449, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Health and Human
Services,



JOY A. SAN BUENAVENTURA, Chair



Record of Votes
Committee on Health and Human Services
HHS

*Only one measure per Record of Votes