

Honolulu, Hawaii

APR 02 2025

RE: S.R. No. 6
S.D. 2

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

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.R. No. 6, S.D. 1, entitled:

"SENATE RESOLUTION URGING THE DIRECTOR OF HEALTH TO ESTABLISH A WORKING GROUP ON HEALTH INSURANCE REFORM TO PROVIDE RECOMMENDATIONS FOR REDUCING THE IMPACT OF PRIOR AUTHORIZATION REQUIREMENTS ON THE TIMELY DELIVERY OF HEALTH CARE IN THE STATE,"

begs leave to report as follows:

The purpose and intent of this measure is to urge the Director of Health to establish a working group on health insurance reform to provide recommendations for reducing the impact of prior authorization requirements on the timely delivery of health care in the State.

Your Committee received testimony in support of this measure from the State Health Planning and Development Agency, Hawai'i Primary Care Association, Hawaii Medical Association, Hawaii Association of Health Plans, Hawaii Medical Service Association, AlohaCare, and one individual.

Your Committee finds that current prior authorization requirements utilized by insurers and managed care plans have greatly diminished the provision of essential services to patients on a timely basis. This has negatively impacted the health care outcomes of the most vulnerable populations in the State. Your



Committee also finds that while recent changes in the federal Centers for Medicare and Medicaid services regarding prior authorization will greatly improve the prior authorization process for patients in federal programs, much more work is needed at the state level to ensure broader relief from the problems associated with the prior authorization process. Your Committee believes that convening a panel of stakeholders to further examine this issue would be beneficial to identifying ways of improving the health care system for the State's residents.

Your Committee further finds that Senate Bill No. 1449 and House Bill No. 250, introduced in the Regular Session of 2025, are similar measures that also establish a working group to make recommendations regarding the prior authorization process. However, rather than the Director of Health convening the working group, these measures establish the working group in the State Health Planning and Development Agency (SHPDA), which administers the Certificate of Need Program, implements the Health Services and Facilities Plan, and promotes the sharing of facilities or services by health care providers to achieve economies of scale and restrict unusually costly services. According to testimony received by your Committee, SHPDA is ready and able to convene the working group proposed in this measure and your Committee further finds that, by requesting the Director of Health, Med-QUEST Administrator, and the Insurance Commissioner to serve as ex-officio participants of the working group, this measure can lead to constructive results to reduce the impact of prior authorization requirements to improve the delivery of health care in the State. Amendments to this measure are therefore necessary to address these recommendations.

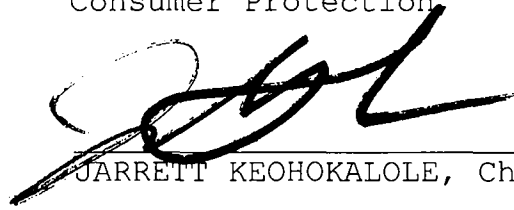
Accordingly, your Committee has amended this measure by:

- (1) Requesting the Administrator of SHPDA, rather than the Director of Health, to convene the working group;
- (2) Amending the membership of the working group;
- (3) Amending its title accordingly; and
- (4) Amending the list of individuals to whom certified copies of this measure are requested to be transmitted.



As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 6, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 6, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection



JARRETT KEOHOKALOLE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

| | | |
|---|--|------------------------|
| Bill / Resolution No.:* SR6 SD1 | Committee Referral: HHS, CPN | Date: 4-1-25 |
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The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

| Members | Aye | Aye (WR) | Nay | Excused |
|---------------------------------|----------|----------|-----|---------|
| KEOHOKALOLE, Jarrett (C) | ✓ | | | |
| FUKUNAGA, Carol (VC) | ✓ | | | |
| MCKELVEY, Angus L.K. | ✓ | | | |
| RICHARDS, III, Herbert M. "Tim" | ✓ | | | |
| AWA, Brenton | ✓ | | | |
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| TOTAL | 5 | | | |

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:
Carol Fukunaga

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File with Committee Report Clerk's Office Drafting Agency Committee File Copy

*Only one measure per Record of Votes