

**STATE OF HAWAII**  
**DEPARTMENT OF HEALTH**  
P. O. Box 3378  
Honolulu, HI 96801-3378  
doh.testimony@doh.hawaii.gov

**Testimony COMMENTING on SB1281 SD2**  
**RELATING TO TELEHEALTH.**

REP. GREGG TAKAYAMA, CHAIR  
HOUSE COMMITTEE ON HEALTH

Hearing Date: March 12, 2025

Room Number: 329

1 **Department Testimony: Department Testimony:** The Department of Health (DOH) offers  
2 comments expressing concerns and amendments that can provide Hawaii with flexibility and  
3 continuity.

4 Uncertainties in federal health care policy, including access to reproductive health services via  
5 telehealth but across the boards, are a serious concern. DOH respectfully recommends a more  
6 cautious approach to ensure audio-only telehealth reimbursement for certain services by  
7 amending Act 107, Session Laws of Hawaii 2023, to extend the sunset date to December 31,  
8 2025. If there is community agreement at that time, the intent of HB557 HD1 may be revisited  
9 in the 2026 legislative session.

10 In addition, numerous innovative telehealth initiatives in Hawai'i are successfully improving  
11 access to care in various settings, including libraries, community centers, homeless shelters,  
12 churches, and through street medicine, etc. Extending Act 107 will provide the flexibility to  
13 continue these programs beyond December 31, 2025, while we wait for federal policies to be  
14 clarified.

15 Thank you for the opportunity to provide testimony.

16 **Offered Amendments:**

17 Strike the contents of SB1281 SD2 in its entirety and replace with:

1       SECTION 1. Act 107, Session Laws of Hawaii 2023, is  
2 amended by amending 8 to read as follows:

3       "SECTION 8. This Act shall take effect upon its approval;  
4 provided that on December 31, [~~2025~~] 2026, this Act shall be  
5 repealed and sections 346-59.1, 431:10A-116.3, 432:1-601.5,  
6 432D-23.5, and 453-1.3, Hawaii Revised Statutes, shall be  
7 reenacted in the form in which they read on the day prior to the  
8 effective date of this Act."



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
House Committee on Health  
Wednesday, March 12, 2025 at 9:00 a.m.

By

T. Samuel Shomaker, Dean  
John A. Burns School of Medicine  
University of Hawai'i at Mānoa

And

Michael Bruno, Provost  
University of Hawai'i at Mānoa

#### SB 1281 SD2 – RELATING TO TELEHEALTH

Chair Takayama, Vice Chair Keohokapu-Lee Loy, and Members of the Committee:

Thank you for the opportunity to provide **comments** on SB 1281 SD2, which seeks to update the laws on telehealth services to conform with federal Medicare regulations specifically regarding audio-only interactive telecommunication services for behavioral mental health. The bill also requires the Insurance Commissioner to report to the Legislature on reimbursements claimed in the previous year for certain telehealth services.

We acknowledge the intent of this measure to support communities most affected by healthcare disparities. However, the current uncertainty surrounding Federal government policies and Centers for Medicare and Medicaid Services (CMS) regulations suggests that this measure may not be timely. Additionally, we have been working with partners to gain more clarity on this issue, and suggest that rather than proceeding with the substantive provisions of SB 1281 SD2, the prudent course of action may be to allow Act 107, SLH 2023, which was scheduled to sunset on December 31, 2025, to become permanent as reflected in the current version of the bill. Doing so would give Hawai'i time to adjust to new federal policies that may be implemented and/or clarified. Numerous telehealth initiatives in Hawai'i are successfully improving access to care in various settings, including libraries, community centers, homeless shelters, churches, and through street medicine, to name a few. Extending Act 107 will provide the flexibility to continue these programs beyond December 31, 2025 in light of the uncertainty at the Federal level.

Since 1999, the use and expansion of telehealth services and technology in Hawai'i have been recognized as a way to increase access and reduce delays to health care, particularly in rural areas of the state. Many of the highest-risk patients reside in Medically Underserved Areas (MUA), are part of Medically Underserved Populations (MUP), or reside in federally-designated health professional shortage areas. Telehealth

communication in any media form, including via telephonic communication, benefits many in these communities. Elderly, as well as medically- and socially-complex patients often face transportation barriers and difficulty navigating our collective system of health care. Patients with behavioral health issues are especially vulnerable and frequently require immediate attention. The inability of behavioral health and other patients to access the internet or to navigate complicated video platforms presents an even greater barrier to much-needed health care.

**However, as currently drafted, the bill introduces a new restriction that would prohibit the use of telehealth to establish care.** This would be a significant step backward in Hawaii's telehealth policy, creating unnecessary barriers to care for those in rural or remote areas of the State or who face limited access to transportation.

One of the realities for Hawai'i is that many of those most in need of telephonic care (limited means to travel, poor or absent internet coverage or bandwidth, residence remote from care providers, infirm with limited cognition or digital literacy, immune compromise in the age of COVID, etc.) suffer the most from a lack of provider reimbursement for telephonic coverage. We believe a telehealth environment in Hawai'i that allows patients the ability to access behavioral as well as other health services remotely would provide greater access to healthcare.

Thank you for the opportunity to provide testimony on this bill.



**JOSH GREEN, M.D.**  
GOVERNOR | KE KIA'ĀINA

**SYLVIA LUKE**  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I**  
**OFFICE OF THE DIRECTOR**  
**DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**  
**KA 'OIHANA PILI KĀLEPA**  
335 MERCHANT STREET, ROOM 310  
P.O. BOX 541  
HONOLULU, HAWAII 96809  
Phone Number: (808) 586-2850  
Fax Number: (808) 586-2856  
cca.hawaii.gov

**NADINE Y. ANDO**  
DIRECTOR | KA LUNA HO'OKELE

**DEAN I. HAZAMA**  
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

## **Testimony of the Department of Commerce and Consumer Affairs**

**Before the**  
**House Committee on Health**  
**Wednesday, March 12, 2025**  
**9:00 a.m.**  
**State Capitol, Conference Room 329 & via Videoconference**

**On the following measure:**  
**S.B. 1281, S.D. 2, RELATING TO TELEHEALTH**

Chair Takayama and Members of the Committee:

My name is Jerry Bump, and I am the Acting Insurance Commissioner for the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department appreciates the intent and offers comments on this bill.

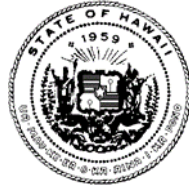
The purpose of this bill is to (1) update the State's laws on telehealth services to conform with federal Medicare regulations; (2) require the Insurance Commissioner to report to the Legislature on reimbursements claimed in the previous year for certain telehealth services; and (3) repeal the sunset date of Act 107, Session Laws of Hawai'i 2023.

The Insurance Division supports efforts to improve access to health care services. Regarding the bill's requirement that the Insurance Commissioner prepare and submit to the Legislature a report that contains "a summary of the telehealth claims reimbursed during the preceding year," the Insurance Division will need the explicit authority to collect telehealth claims reimbursement data from the health insurers and

would require funding and staffing to carry out its intent to collect and summarize telehealth claims data (Page 20, line 20 to Page 21, lines 1-9) in an annual report.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



RYAN I. YAMANE  
DIRECTOR  
KA LUNA HO'OKELE

JOSEPH CAMPOS II  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**DEPARTMENT OF HUMAN SERVICES**  
KA 'OIHANA MĀLAMA LAWE LAWE KANAKA  
Office of the Director  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

TRISTA SPEER  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

March 10, 2025

TO: The Honorable Representative Gregg Takayama, Chair  
House Committee on Health

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 1281 SD2 – RELATING TO TELEHEALTH.**

Hearing: Wednesday, March 12, 2025, Time 9:00 a.m.  
Conference Room 329 & Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) provides comments with concerns regarding this bill. Please note that our comments pertain to Section 1 only, which applies to DHS.

**PURPOSE:** Updates the State's laws on telehealth services to conform with federal Medicare regulations. Requires the Insurance Commissioner to report to the Legislature on reimbursements claimed in the previous year for certain telehealth services. Repeals the sunset date of Act 107, Session Laws of Hawai'i 2023. Effective 12/31/2050. (SD2)

The Senate Committee on Health and Human Services amended the bill by:

- (1) Removing language in the definition of "interactive telecommunications system" that would have allowed a patient to not consent to the use of video technology and instead utilize two-way, real-time, audio-only communication technology for any telehealth service;
- (2) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

The Committee on Commerce and Consumer Protection amended the measure by

- (1) Reverting to the definition of "interactive telecommunications system", as provided in the originally introduced version of this measure, to allow a patient to consent to the use of video technology; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

DHS fully supports telehealth to expand access to care. This also includes supporting two-way, real-time, audio-only telehealth under specific conditions. However, DHS does not support financial parity for all audio-only telehealth services, which the proposed amendments in this bill would do. DHS would support an extension of the current telehealth law (346) given the uncertainty regarding Medicare telehealth laws and rules, as well as the ongoing discussions regarding telehealth.

The proposed amendments purport to align with Medicare's telehealth rules. However, the bill would codify temporary Medicare changes that became effective on January 1, 2025, as well as telehealth exceptions and flexibilities that are set to expire on March 31, 2025. Also, the effect of the proposed amendments would be 1) to expand to the use of audio-only calls to all clinical services, instead of the current limitation to behavioral health-related care; 2) to treat audio-only to be the clinical equivalent of an in-person, face-to-face visit, and 3) to require reimbursement parity for all audio-only services to be the same as in-person face-to-face visits.

DHS recommends thoughtful adoption of amendments to the telehealth law given the many uncertainties of rapidly changing Medicare telehealth laws, the lack of clear clinical data supporting the expansion of audio-only communication technology (e.g., telephone calls) for all services beyond what is covered today (e.g., mental health and substance use treatment), and the differing perspectives on financial parity for all telehealth modalities. For these reasons, DHS has concerns regarding the proposed significant expansions to the current telehealth law.

For the Medicaid QUEST Integration program, current Hawaii law allows and reimburses financial parity for audio-only telehealth for specific services - mental health and substance use disorder services. Also, when using the audio-only modality, the service must meet Medicare's telehealth general rules codified in Title 42 Code of Federal Regulations (CFR) section 410.78, which includes definitions and general rules.



For further consideration in aligning with the Medicare rules, the Medicare rules must be taken in their totality, and context. Medicare has updated its definition of interactive communications in CFR 410.78 (a). However, it has not made changes to the general rules that include types of services that could be provided via telehealth modalities when being provided in the patient's home (CFR 410.78 (b)), other than continuing some flexibilities from the COVID-19 pandemic. These flexibilities are set to expire March 31, 2025. Thus, changes to the Hawaii law to conform with Medicare telehealth laws that are set to expire would be premature.

Medicare regulations allow telehealth at the originating site (the location of the patient receiving the service) in a broad range of clinical settings but limit the kinds of health care services that can be provided in the home to only mental health services, substance use disorder services and end-stage renal dialysis (CFR 410.78 (b) (3) (x) (xii) and (xiv) bold emphasis added):

- (3) The services are furnished to a beneficiary at an originating site, which is one of the following:
  - .....
  - (x) The **home of an individual** (only for purposes of the home dialysis ESRD-related clinical assessment in section 1881(b)(3)(B) of the Act).
  - .....
  - (xii) The **home of an individual** (only for purposes of treatment of a substance use disorder or a co-occurring mental health disorder, furnished on or after July 1, 2019, to an individual with a substance use disorder diagnosis).
  - .....
  - (xiv) The **home of a beneficiary** for the purposes of diagnosis, evaluation, and/or treatment of a mental health disorder for services that are furnished during the period beginning on the first day after the end of the emergency period as defined in our regulation at § 400.200 and ending on December 31, 2024, except as otherwise provided in this paragraph.

Starting April 1, 2025, the Medicare flexibilities on originating sites, the kinds of services that can be provided, and expanded audio-only modalities will end. Thus, although the Medicare definition of interactive communications has been changed to delete reference to limiting audio-only services to mental/behavioral health services, the flexibilities that expanded access to allow telehealth to be provided for a broad range of medical services in a patient's home are due to expire.

Additionally, regarding paying for telehealth services at financial parity, it is notable that Medicare does not pay parity to all providers for services provided via telehealth; there are special payment terms for Federally Qualified Health Centers (FQHC). Specifically, FQHCs are not reimbursed

for services provided via telehealth using the prospective payment system (PPS); instead, they are reimbursed at the regular Medicare Physician Fee Schedule per the Social Security Act (SSA) section 1834(m)(8)(B).

**Social Security Act, Section 1834(m)(8)(B)**

**Special payment rule**

**i. In general**

The Secretary shall develop and implement payment methods that apply under this subsection to a Federally qualified health center or rural health clinic that serves as a distant site that furnishes a telehealth service to an eligible telehealth individual during the periods for which subparagraph (A) applies. Such payment methods shall be based on payment rates that are similar to the national average payment rates for comparable telehealth services under the physician fee schedule under section 1395w-4 of this title. Notwithstanding any other provision of law, the Secretary may implement such payment methods through program instruction or otherwise.

**ii. Exclusion from FQHC PPS calculation and RHC air calculation**

Costs associated with telehealth services shall not be used to determine the amount of payment for Federally qualified health center services under the prospective payment system under subsection (o) or for rural health clinic services under the methodology for all-inclusive rates (established by the Secretary) under section 1395l(a)(3) of this title.

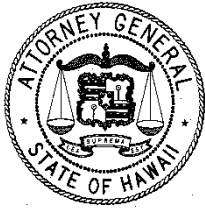
On the other hand, Medicaid does reimburse FQHCs using prospective payment rates (PPS) rates. As background, a PPS rate pays the same amount for each eligible encounter regardless of the service. For example, currently, several FQHC's PPS rate is about \$400 per encounter. The FQHCs are reimbursed at the \$400 rate whether an individual receives multiple different services for an hour in the clinic setting, or they receive a 15-minute audio-only call.

Med-QUEST (MQD) pays PPS rates for care provided via all telehealth modalities, unlike Medicare. However, as noted above, audio-only is limited to only behavioral health services. MQD requests that if audio-only modality is allowed for clinical services and not limited to the current mental health and substance use treatment services, that financial parity not be mandated for all audio-only telehealth services for all providers.

Finally, as further background, Hawaii's telehealth laws applicable to Medicaid are less restrictive than Medicare in the types of services allowed, and with no geographic or originating site restrictions. As long as the health care services are clinically appropriate using a telehealth modality, and that the healthcare service can be provided in a location assuring the appropriate privacy and safety of the individual, audio-visual telehealth visits are allowed.

Of note, however, when Hawaii's telehealth laws, including section 346-59.1, HRS, were amended in recent years, the agreement among the various impacted parties at that time was to limit audio-only telehealth modality to mental health and substance use disorder services, which is similar to Medicare. As noted above, if the audio-only modality were to be broadened to all health services despite Medicare's limitations and expiring flexibilities on audio-only modalities, MQD would not support full financial parity for audio-only modality given Medicare's laws and the lack of data regarding clinical outcomes and costs.

Thank you for the opportunity to offer comments on this measure.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2025**

---

**ON THE FOLLOWING MEASURE:**

S.B. NO. 1281, S.D. 2, RELATING TO TELEHEALTH.

**BEFORE THE:**

HOUSE COMMITTEE ON HEALTH

**DATE:** Wednesday, March 12, 2025 **TIME:** 9:00 a.m.

**LOCATION:** State Capitol, Room 329

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Andrew I. Kim or Christopher J.I. Leong, Deputy Attorneys General

---

Chair Takayama and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill updates the State's laws on telehealth services, requires the Insurance Commissioner to report to the Legislature on reimbursements claimed in the previous year for certain telehealth services, and repeals the sunset date of Act 107, Session Laws of Hawaii 2023.

The requirements under this bill may affect existing contractual obligations between parties on reimbursement for services provided through telehealth. If the amendments substantially impair a contractual relationship, it could potentially violate the Contract Clause of the United States Constitution (U.S. Const. art. I, § 10, cl. 1). To mitigate risks and to protect the bill against potential contractual impairment issues, we recommend adding a new section after section 9, by inserting the following wording after page 21, line 20:

SECTION 10. This Act shall not be applied so as to impair any contract existing as of the effective date of this Act in a manner violative of either the Constitution of the State of Hawaii or Article I, Section 10, of the United States Constitution.

The current sections 10 and 11 should then be renumbered accordingly. Thank you for the opportunity to provide comments.



**TESTIMONY IN SUPPORT TO HOUSE BILL 1281 SD 2  
RELATING TO TELEHEALTH**

House Committee on Health  
Hawai'i State Capitol

March 12, 2025

9:00AM

Room 329

---

Aloha e Chair Takayama, Vice Chair Keohokapu-Lee Loy, and Members of the House Committee on Health:

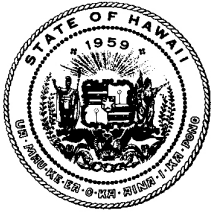
The Office of Hawaiian Affairs (OHA) **SUPPORTS** SB 1281 SD 2 which updates the State's laws on telehealth services to conform with federal Medicare regulations, requires the Insurance Commissioner to report to the Legislature on reimbursements claimed in the previous year for certain telehealth services, and repeals the sunset date Act of 107, Session Laws of Hawai'i 2023. OHA appreciates measures such as these that are ultimately aimed at ensuring continuum of care for Hawai'i residents in rural communities. OHA's comments are provided to ensure that Native Hawaiians as OHA beneficiaries receive the medical attention and care that is needed, as many of OHA's beneficiaries reside in rural, underserved communities.

OHA supports telehealth as a critical tool to improve healthcare access for Native Hawaiians and underserved communities throughout the state. Hawai'i's unique geography—spanning across multiple islands—presents significant challenges in accessing healthcare services, particularly for rural and remote communities. Telehealth offers a practical solution by enabling individuals to connect with healthcare providers from their homes or local community centers, reducing the need for long-distance travel and mitigating transportation barriers. This is particularly important for Native Hawaiians who often live in rural areas, where healthcare services can be limited.

In addition, telehealth has the potential to address disparities in healthcare access and outcomes. Native Hawaiians experience health inequities in many areas, including chronic disease management, mental health, and maternal health. Telehealth can offer greater flexibility for individuals to receive timely care, enhance provider-patient communication, and promote preventive care—ultimately improving health outcomes for Native Hawaiians and other vulnerable populations.

Senate Bill 1281 SD 2 provides a timely and necessary framework to enhance and expand telehealth services in Hawai'i. By extending and solidifying telehealth coverage and reimbursement, this bill will ensure that Hawai'i's most vulnerable communities have equitable access to essential healthcare services. Additionally, the bill's emphasis on integrating telehealth into the state's healthcare infrastructure will help reduce disparities in care and build a more resilient, accessible healthcare system for all.

The Office of Hawaiian Affairs appreciates recent amendments which reverted the definition of "interactive telecommunication system," as provided in the originally introduced version of this measure, to allow a patient to consent to the use of video technology, and that made technical, nonsubstantive changes for the purposes of style, clarity, and consistency. For these reasons, OHA urges this committee to **PASS SB1281 SD 2**. Mahalo nui for the opportunity to testify.



## DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Rm. 118 • Honolulu, Hawai'i 96813  
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • (808) 204-2466 (VP)

March 12, 2025

### TESTIMONY TO THE HOUSE COMMITTEE ON HEALTH

#### Senate Bill 1281 SD1 – Relating to Telehealth

The Disability and Communication Access Board (DCAB) supports Senate Bill 1281 SD 1 – Relating to Telehealth. This bill would update the State's laws on telehealth services to conform with federal Medicare regulations. Requires the Insurance Commissioner to report to the Legislature on reimbursements claimed in the previous year for certain telehealth services. Repeals the sunset date of Act 107, Session Laws of Hawai'i 2023.

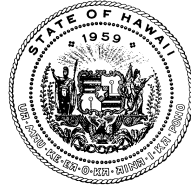
DCAB believes that aligning state requirements with federal law, including allowing audio only services, is essential for ensuring equal access to vital resources. By permitting audio only participation, individuals without access to the latest technology or those who rely on traditional communication methods would have greater opportunities to connect with and benefit from these services. This change would help remove unnecessary barriers and ensure that all individuals, regardless of their technological capabilities, can fully access available services.

Thank you for considering our position.

Respectfully submitted,

KIRBY L. SHAW  
Executive Director

JOSH B. GREEN, M.D.  
GOVERNOR OF HAWAII  
KE KIA'ĀINA O KA  
MOKU'ĀINA 'O HAWAI'I



KATHERINE AUMER, PhD  
COUNCIL CHAIRPERSON  
LUNA HO'OMALU O KA PAPA

STATE OF HAWAI'I  
DEPARTMENT OF HEALTH  
KA 'OIHANA OLAKINO  
STATE COUNCIL ON MENTAL HEALTH  
P.O. Box 3378, Room 256  
HONOLULU, HAWAII 96801-3378

**STATE COUNCIL ON MENTAL HEALTH**  
**Testimony to the House Committee on Health**  
**In Support of S.B. 1281 S.D.2**  
**RELATING TO TELEHEALTH**  
**March 12, 2025 9:00 a.m., Room 329 and Video**

**CHAIRPERSON**

Katherine Aumer, PhD

**1<sup>st</sup> VICE CHAIRPERSON**

Kathleen Merriam, LCSW  
CSAC

**2<sup>nd</sup> VICE CHAIRPERSON**

John Betlach

**SECRETARY**

Mary Pat Waterhouse, MHA  
MBA

**MEMBERS:**

Tianna Celis-Webster  
Naomi Crozier, CPS  
Lea Dias, MEd  
Jon Fujii, MBA  
Heidi Ilyavi  
Jackie Jackson, CFPS  
Christine Montague-Hicks, MEd  
Ray Rice, MEd  
Asianna Saragosa-Torres  
Forrest Wells, MSCP, LMHC  
Kristin Will, MACL, CSAC

**EX-OFFICIO:**

Marian Tsuji, Deputy Director  
Behavioral Health  
Administration

**WEBSITE:**

scmh.hawaii.gov

**EMAIL ADDRESS:**

doh.scmhchairperson@  
doh.hawaii.gov

Chair Takayama, Vice-Chair Keohokau-Lee Loy, and Members of the Committee:

Hawaii law, HRS §334-10, established the State Council on Mental Health (SCMH) as a 21-member body to advise on the allocation of resources, statewide needs, and programs affecting more than one county as well as to advocate for adults with serious mental illness, children with serious emotional disturbances, individuals with mental illness or emotional problems, including those with co-occurring substance abuse disorders. Members are residents from diverse backgrounds representing mental health service providers and recipients, students and youth, parents, and family members. Members include representatives of state agencies on mental health, criminal justice, housing, Medicaid, social services, vocational rehabilitation, and education. Members include representatives from the Hawaii Advisory Commission on Drug Abuse and Controlled Substances and county service area boards on mental health and substance abuse.

The majority of the State Council on Mental Health members support this measure, as data-driven research consistently demonstrates the effectiveness of telehealth, while also recognizing that there has been expressed concern about ensuring comparable payment for clinically equivalent services.

Thank you for the opportunity to testify. Should you have any questions, please contact us at DOH.SCMHChairperson@doh.hawaii.gov.





**March 12, 2025 at 9:00 am**  
**Conference Room 329**

**House Committee on Health**

To: Chair Gregg Takayama  
Vice Chair Sue L. Keohokapu-Lee Loy

From: Paige Heckathorn Choy  
AVP, Government Affairs  
Healthcare Association of Hawaii

Re: **Submitting Comments**  
**SB 1281 SD 2, Relating to Telehealth**

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 30,000 people statewide.

Thank you for the opportunity to provide **comments** on this measure. The Association supports expanding telehealth access, which is critical to improving healthcare accessibility across our state. Telehealth has been a proven and effective tool for expanding healthcare access, and many states have recognized the importance of maintaining flexible telehealth options, particularly for underserved populations. *However, rather than advancing new legislation at this time, we believe the best approach would be to extend the current policy for one more year.*

There are significant changes happening at the federal level regarding telehealth, and having additional time to understand how Congress and the administration plan to address these issues would provide valuable clarity. This extra time would allow Hawaii to make informed, long-term policy decisions that align with federal developments and ensure the best possible access to telehealth for our residents.

Thank you for the opportunity to comment on this measure and for the legislature's continued commitment to expanding telehealth access in the state.



**Testimony to the House Committee on Health  
Wednesday, March 12, 2025; 9:00 a.m.  
State Capitol, Conference Room 329  
Via Videoconference**

**RE: SENATE BILL NO. 1281, SENATE DRAFT 2, RELATING TO TELEHEALTH.**

Chair Takayama, Vice Chair Keohokapu-Lee Loy, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 1281, Senate Draft 2, RELATING TO TELEHEALTH.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

**I. Overview of Bill**

The purpose of this bill is to conform the treatment of audio-only, two-way interactive modes of communication for telehealth under private health insurance with Medicare.

This measure was introduced at HPCA's request and was intended to promote a comprehensive and thorough examination of Act 107, Session Laws of Hawaii 2023 (Act 107), in light of the changes made to federal law by the Centers for Medicare and Medicaid Services (CMS) in December 2024. This is necessary because Act 107 is scheduled to sunset on December 31, 2025.

More specifically, this bill would:

- (1) Change the definition of "interactive telecommunications system" from citation to the Medicare Fee Schedule to language found in that law as it was amended on December 9, 2024. This provision would ensure that the definition for this term under Act 107 would not automatically change if an amendment is approved for the Medicare Fee Schedule by CMS. Subsequent amendments to Hawaii Law would only occur through the enactment of a new law by the Hawaii State Legislature;
- (2) Eliminate concessions offered by both the Mental Health Hui (a group representing the Hawaii Primary Care Association, the Hawaii Psychological Association, the National Association of Social Workers, the Hawaii Substance Abuse Coalition, AARP, the American Cancer Society Cancer Action Center, the Hawaii Parkinson's' Association, the Epilepsy Foundation of Hawaii, and the Alzheimer's Association, among other organizations) and HMSA that led to the agreement that was codified as Act 107:
  - (A) The Mental Health Hui agreed to an 80% cap on reimbursement for audio-only mental health telehealth services;
  - (B) HMSA agreed to allowing audio-only mental health telehealth services be reimbursable so long as the visit prior to the first audio-only mental health service was conducted by an audio-visual telehealth visit instead of an in-person visit that was required by Medicare; and
- (3) Require the Insurance Commissioner to submit in its annual report data on reimbursements claimed pursuant to Act 107.

## **II. Uncertainties in Federal and State Law**

As noted in our testimony to the Senate Committee on Health and Human Services on Senate Bill No. 1281 dated February 3, 2025, and the House Committee on Consumer Protection and Commerce on House Bill No. 0557, House Draft 1, dated February 5, 2025, the Insurance Commissioner has not indicated how the Department of Commerce and Consumer Affairs interprets the current language of Act 107 in light of the December 9, 2024, Medicare Physician Fee Schedule Final Rule that took effect on January 1, 2025.

Based on a black letter reading of the statute, it would appear that private insurers in Hawaii are required to reimburse for non-mental health audio-only telehealth services that are provided at the patient's home. Arguably, an entitlement was created, but at this point, it is unclear whether the State acknowledges this or whether it will enforce the law.

A provider would need to provide a non-mental health audio-only telehealth services and seek reimbursement from a private insurer. If the insurer denies the claim, the provider would need to appeal that decision administratively first. If the Insurance Commissioner upholds the insurer's denial of the claim, then it would be a matter to be determined by the Courts. This would take time to develop and in the process, providers would be denied reimbursement, and providers would stop providing those services to patients.

In the meanwhile, due to the change in administration at the federal level, there are concerns that many of the policies that have been developed by CMS regarding telehealth flexibilities may be restricted or undone. Because of this, there are concerns that any substantive change to Act 107 might further complicate the legal treatment of audio-only telecommunications modes in Medicare, Medicaid, and private insurance.

Be that as it may, the HPCA continues to assert that the underlying policy that Act 107 established is sound -- that the treatment of audio-only telecommunications modes should be the same for public and private insurance. What is good for Medicare should also be good for private insurance.

If your Committee is concerned that an amendment to Act 107 may negatively impact a benefit that has accrued to insureds or create the bifurcated treatment of the law between public and private insurance, it may be prudent to extend Act 107 without any substantive amendments to its provisions. However, given the time it will take for administrative processes to be exhausted as well as for the Insurance Commissioner to adopt rules concerning these new benefits, the HPCA recommends that the law be extended at least until **December 31, 2027.**

It should be noted that the provisions related to the definition of "interactive telecommunications systems" in this measure and a proposal to extend Act 107 would have the same effect since the federal rule cited in Act 107 is the same as that rule is stated in the definition of the term in this bill.

**For purposes of facilitating continued discussions, the HPCA respectfully urges your favorable consideration of this measure.**

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or [eabe@hawaiipca.net](mailto:eabe@hawaiipca.net).



## **SB1281 SD2 Telehealth**

### COMMITTEE ON HEALTH

Rep. Gregg Takayama, Chair

Rep. Sue L. Keohokapu-Lee Loy, Vice Chair

Wednesday, Mar 12, 2025: 9:00: Room 329 Videoconference

## **Hawaii Substance Abuse Coalition Supports SB1281 SD2:**

*ALOHA CHAIR, VICE CHAIR, AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization for substance use disorder and co-occurring mental health disorder treatment and prevention agencies and recovery-oriented services.*

## **We support changes to Hawaii's law to match Medicare standards to address the full spectrum telehealth needs.**

The use of "two-way, real-time audio-only communication technology" is Medicare's description of telephone calls specific to the treatment of a mental health disorder. Further, we would note that Medicare only allows telehealth under certain additional conditions.


### Telehealth

Telehealth is not meant to totally replace face to face for those who have more chronic conditions, but it certainly allows us to treat more people who need services that otherwise would not have access to services, especially for rural areas.

**U.S. Congress has stated that preliminary evaluations have demonstrated that telehealth and when needed telephonic practices does save money and improve care:**

- Especially for the elderly and behavioral health,
- For checkups for both specialty care and primary care.
- In certain cases, it's more efficient use of time for care givers and patients.

Telephone services are an integral part of Medicaid and Medicare and with this legislation it can be for commercial plans too, subject to financing and authorization.



**People with chronic conditions need follow-up care to prevent ongoing ER and hospital care, but if they have limited access to care, then Telehealth is crucial and if not available, then telephonic care becomes essential.**

We appreciate the opportunity to provide testimony and are available for further

**SB-1281-SD-2**

Submitted on: 3/10/2025 11:38:01 AM

Testimony for HLT on 3/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Thomas Carlisle, MD, MPH	Hawaii Academy of Family Physicians (HAFP)	Support	Written Testimony Only

Comments:

HOUSE COMMITTEE ON HEALTH AND HOMELESSNESS

Rep. Della Au Bellati, Chair

Rep. Jenna Takenouchi, Vice Chair

Date: March 10, 2025

From: Hawai'i Academy of Family Physicians Legislative Committee (HAFP)

**RE: Crossover SB1281;** Updates the State's laws on telehealth services

**Position: Support**

Thank you for allowing testimony on Bill 1281. HAFP endorses the importance of telehealth to overcome obstacles to care, mitigate infectious disease spread, and lessen disparities of health care in Hawai'i as experienced in our rural and physically limited communities. As federal Medicare regulations quickly approach its latest cliff in terms of telehealth coverage, solidifying the ability of the people of Hawai'i to access care via telehealth services is vital.

Thank you for allowing HAFP to testify on this.



1001 Bishop Street | Suite 625 | Honolulu, HI 96813-2830  
1-866-295-7282 | Fax: 808-536-2882  
[aarp.org/hi](http://aarp.org/hi) | [aarphi@aarp.org](mailto:aarphi@aarp.org) | [twitter.com/AARPHawaii](https://twitter.com/AARPHawaii)  
[facebook.com/AARPHawaii](https://facebook.com/AARPHawaii)

**The State Legislature  
The House Committee on Health  
Wednesday, March 12, 2025  
Conference Room 329  
9:00 p.m.**

TO: The Honorable Gregg Takayama, Chair  
FROM: Keali'i Lopez, AARP State Director  
RE: S.B. 1281, SD2 Relating to Telehealth

Aloha Chair Takayama and Members of the Committee:

My name is Keali'i Lopez, and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social mission organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 135,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families, including telehealth. **AARP supports S.B. 1281, SD2** which updates the State's laws on telehealth services and repeals the sunset date of Act 107, Session Laws of Hawaii 2023.

AARP recognizes telehealth as a vital tool for accessing healthcare and aiding family caregivers. Many members, especially those aged 50-59, use mobile devices to manage their health. Telehealth, including family-involved virtual visits, improves access to care, reduces transportation barriers, and enhances outcomes. We also advocate the extension or permanency of Act 107 in its present form with the definition of "interactive telecommunications system" conforming to the Medicare Fee Schedule by citation. This ensures that telephonic telehealth will be treated the same by public and private insurance in Hawaii. Key benefits of the measure include:

- **Improved Access:** Audio-only communications help residents in rural areas connect with healthcare providers from home, saving time and reducing travel stress.
- **Ease of Use:** Phone calls are familiar and accessible, avoiding the frustration of video conferencing for non-tech-savvy kupuna.
- **Cost-Effective:** Audio-only communications require minimal infrastructure, making them viable for resource-limited settings and patients without high-speed internet.

Audio-only communication should continue to be recognized as a practical, accessible, and cost-effective solution to improve healthcare access for kupuna **and be a reimbursable service**. Thank you very much for the opportunity to testify.





American Cancer Society  
Cancer Action Network  
2370 Nu'uuanu Avenue  
Honolulu, HI 96817  
808.460.6109

House Committee on Health  
Rep. Gregg Takayama, Chair  
Rep. Sue L. Keohokapu-Lee Loy, Vice Chair

Hearing Date: Wednesday, March 12, 2025

**ACS CAN SUPPORTS SB 1281 SD2 – RELATING TO TELEHEALTH.**

Cynthia Au, Government Relations Director – Hawaii Guam  
American Cancer Society Cancer Action Network

Thank you for the opportunity to **SUPPORTS** SB 1281 SD2 – RELATING TO TELEHEALTH.

The American Cancer Society Cancer Action Network (ACS CAN), the nonprofit, non-partisan advocacy affiliate of the American Cancer Society advocates for public policies that reduce death and suffering from cancer. ACS CAN works with federal, state, and local government bodies to support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem.

ACS CAN recognizes that telehealth increases access to quality cancer care among populations that are underserved (e.g., residents of rural communities, individuals with limited income, patients with low health literacy, and people of color). It is especially important for access to healthcare services in rural areas or areas on the neighbor islands with limited broadband access. Audio only telehealth can also improve health outcomes.

A particular benefit of telehealth emerged during the coronavirus pandemic - cancer patients vulnerable to COVID-19 could conduct a video or audio visit with their providers from the safety of their home without risking additional exposure to the virus. The pandemic has demonstrated the importance of adaptable policies around telehealth that allow patients to reap the optimal benefits of telehealth.

ACS CAN, through the Survivor Views program, asked a cohort of cancer patients and survivors about their experience with and interest in telehealth. Overwhelming majorities of cancer patients and survivors who have had telehealth visits believed their issues and questions were well-addressed. 55% of respondents had a phone visit and 43% had a video visit with a telehealth provider about an issue related to their cancer care that otherwise would have been an in-person office visit (not a prescription refill or appointment booking). In both cases, 94% said their issues and questions were addressed well.<sup>i</sup>

Thank you again for the opportunity to provide testimony to SUPPORT of the intent to continue the conversation. Should you have any questions, please do not hesitate to contact Government Relations Director Cynthia Au at 808.460.6109, or [Cynthia.Au@Cancer.org](mailto:Cynthia.Au@Cancer.org).

---

<sup>i</sup>Survivor Views: Telehealth and Clinical Trials. ACS CAN. Oct. 2021.

[https://www.fightcancer.org/sites/default/files/national\\_documents/survivorviews-telehealth-trials.pdf](https://www.fightcancer.org/sites/default/files/national_documents/survivorviews-telehealth-trials.pdf)



### Hawaii Medical Association

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814  
Phone: 808.536.7702 • Fax: 808.528.2376 • hawaiimedicalassociation.org

HOUSE COMMITTEE ON HEALTH  
Representative Gregg Takayama, Chair  
Representative Sue Keohokapu-Lee Loy, Vice Chair

Date: March 12, 2025  
From: Hawaii Medical Association (HMA)  
Jerald Garcia MD - Chair, HMA Public Policy Committee

**Re: SB 1281 SD2 RELATING TO TELEHEALTH** - Telehealth; Audio-Only; Medicare; Insurance Reimbursement; Sunset Repeal  
**Position: Comments**

This measure would update the State's laws on telehealth services to conform with federal Medicare regulations, require the Insurance Commissioner to report to the Legislature on reimbursements claimed in the previous year for certain telehealth services, and repeal the sunset date of Act 107, Session Laws of Hawai'i 2023.

Hawaii physicians frequently use telemedicine technologies to better serve our patients. While video telehealth appointments have offered an important alternative for patients, audio-only visits provide a dependable lifeline for our rural and underserved communities to access healthcare. Patients who are elderly, on Medicaid, non-English speaking and/or have limited internet access are more likely to use audio-only services than video visits. These patients may have limited understanding and/or access to broadband internet services or devices, be unwilling to consent to video visits or prefer audio only interactions, and their access is limited by restrictions on audio-only telehealth services.

**HMA supports the repeal of the sunset of Act 107 SLH 2023, in order to maintain patient access to telehealth care, particularly for behavioral health services in our rural and underserved communities. We also support the overall intent of this measure.**

**HMA is concerned, however, that the pre-requirement for in-person visit** before telemedicine can begin, may unintentionally create barriers and restrict access for behavioral health services, especially for Hawaii rural and underserved communities where the physician shortages remain critically low. HMA encourages further review and thoughtful discussion on the proposed revisions of Hawaii state telehealth laws and alignment with CMS changes in 2025.

Thank you for allowing Hawaii Medical Association to testify with comments on this measure.

#### 2025 Hawaii Medical Association Officers

Elizabeth Ann Ignacio, MD, President • Nadine Tenn-Salle, MD, President Elect • Angela Pratt, MD, Immediate Past President  
Jerris Hedges, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

#### 2025 Hawaii Medical Association Public Policy Coordination Team

Jerald Garcia MD, Chair  
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

## REFERENCES AND QUICK LINKS

Yu J, Civelek Y, Casalino LP, Jung HY, Zhang M, Pierre R, Khullar D. Audio-Only Telehealth Use Among Traditional Medicare Beneficiaries. JAMA Health Forum. 2024 May 3;5(5):e240442. doi: 10.1001/jamahealthforum.2024.0442. PMID: 38728023; PMCID: PMC11087829.

Chen, J., Li, K.Y., Andino, J. et al. Predictors of Audio-Only Versus Video Telehealth Visits During the COVID-19 Pandemic. J GEN INTERN MED(2021). <https://doi.org/10.1007/s11606-021-07172-y>

Volk J et al. States' Actions to Expand Telemedicine Access During COVID-19 and Future Policy Considerations. TheCommonwealth Fund. Commonwealthfund.org. June 23 2021.

O'Reilly KB. Amid pandemic, CMS should level field for phone E/M visits. [Ama-assn.org. Apr 20, 2020](https://www.ama-assn.org/practice-management/telemedicine). Acc Feb 1 2025.

American Medical Association. ["Accelerating and Enhancing Behavioral Health Integration Through Digitally Enabled Care: Opportunities and Challenges."](https://www.ama-assn.org/practice-management/telemedicine) Aug 31 2022. Acc Feb 1 2025.

Malâtre-Lansac A, et al. Factors influencing physician practices' adoption of behavioral health integration in the United States: A qualitative study. Ann Intern Med. Jul 21, 2020;173(2):92–99. doi: 10.7326/M20-0132. Epub Jun 2, 2020. PMID: 32479169.

American Psychiatric Association. [Telepsychiatry Toolkit: The Evidence Base](https://www.psychiatry.org/patients-families/telepsychiatry/toolkit-the-evidence-base). Acc Feb 1 2025.

American Psychiatric Association. [Learn About the Collaborative Care Model](https://www.psychiatry.org/patients-families/telepsychiatry/toolkit-the-evidence-base) (n.d.). Acc Feb 1 2025.

Roberts ET, Mehrotra A. Assessment of Disparities in Digital Access Among Medicare Beneficiaries and Implications for Telemedicine. JAMA Intern Med. 2020 Oct 1;180(10):1386-1389.

Kruis R, Brown EA, Johnson J, Simpson KN, McElligott J, Harvey J. Patient Perceptions of Audio-Only Versus Video Telehealth Visits: A Qualitative Study Among Patients in an Academic Medical Center Setting. Telemed Rep. 2024 Apr 3;5(1):89-98.

### 2025 Hawaii Medical Association Officers

Elizabeth Ann Ignacio, MD, President • Nadine Tenn-Salle, MD, President Elect • Angela Pratt, MD, Immediate Past President  
Jerris Hedges, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

### 2025 Hawaii Medical Association Public Policy Coordination Team

Jerald Garcia MD, Chair  
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

March 12, 2025

**To: Chair Takayama, Vice Chair Keohokapu-Lee Loy, and Members of the House Committee on Health**

From: Hawaii Association of Health Plans Public Policy Committee


Date/Location: March 12, 2025; 9:00 am/Conference Room 329 & Videoconference

**Re: Testimony with comments on SB1281 SD2 – Relating to Telehealth**

The Hawaii Association of Health Plans (HAHP) appreciates the opportunity to share our comments and concerns regarding SB1281 SD2. HAHP is a statewide partnership that unifies Hawaii's health plans to improve the health of Hawaii's communities together. A majority of Hawaii residents receive their health coverage through a plan associated with one of our organizations.

HAHP strongly supports efforts to make behavioral healthcare more accessible, especially on the Neighbor Islands and in rural areas where broadband access and behavioral health care providers are lacking. However, we would like to offer comments to highlight some of our concerns over the bill's current form:

1. **Expansion of Audio-Only Care:** This bill proposes to expand the type of care that can be delivered via audio-only beyond behavioral health. Currently, there are no comprehensive studies demonstrating that the quality of care and outcomes of services delivered through audio-only are equivalent to those of in-person or telehealth visits. This lack of evidence raises significant concerns about patient safety and the effectiveness of care.
2. **Reimbursement Concerns:** We believe that reimbursement for audio-only services should not be equivalent to that for in-person or telehealth visits. Audio-only services do not require the same level of effort, resources, or overhead as in-person or video-based telehealth visits. Equating reimbursement rates could lead to inefficiencies and misallocation of healthcare resources.
3. **Guardrail Changes:** The proposed changes to the guardrails in this bill would eliminate the option of using a telehealth visit instead of an in-person visit. This is particularly problematic for many behavioral health providers and patients, who may not have the capability to conduct in-person visits. Maintaining the flexibility to use telehealth is essential for ensuring continuous and accessible care for these populations.



In conclusion, while we support modifying the definition of interactive telecommunications system and eliminating Act 107's sunset date to reflect the collaborative agreement between legislators, HAHP organizations, and Hawaii health care providers when it was signed into law in 2023, the amendments proposed in this bill pose significant risks and challenges that must be addressed. We look forward to continuing discussion on this measure should it move forward.

Thank you for the opportunity to testify on SB1281 SD2.

Sincerely,

HAHP Public Policy Committee  
cc: HAHP Board Members



**WAIANAE COAST  
COMPREHENSIVE  
HEALTH CENTER**

**Tuesday, March 12, 2025 at 9:00 AM**

**State Capitol, Conference Room 329 & Videoconference**

**SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES**

**To: Chair Gregg Takayama  
Vice Chair Sue L. Keohokapu-Lee Loy**

**From: Michele Chrissy Kuahine  
Director of Technology Equity**

**RE: TESTIMONY IN SUPPORT WITH AMENDMENTS OF SB1281 SD2**

---

Aloha Chair Takayama, Vice Chair Keohokapu-Lee Loy, and Members of the Committee,

My name is Michele Chrissy Kuahine, and I am submitting this testimony in my capacity as the Director of Tech Equity at the Waianae Coast Comprehensive Health Center (WCCHC), a Federally Qualified Health Center (FQHC) serving vulnerable populations. WCCHC **supports SB1281 SD2 with amendments** to ensure telehealth remains accessible for those who need it most.

**Proposed amendment to SB1281 SD2: Fully remove the in-person visit requirement for audio-only telehealth permanently**

Our FQHC provides care to underserved communities, including low-income individuals, kūpuna (elders), Native Hawaiian and Pacific Islander populations, individuals with disabilities, people experiencing homelessness, and those living in rural areas. Many of our patients do not have reliable broadband access, lack digital literacy, or cannot afford smartphones capable of video telehealth. For many of these patients, audio-only telehealth is their only access to care.

While we support the intent of this bill to update state law in line with federal Medicare regulations, the in-person visit requirement for audio-only telehealth remains a significant barrier. This provision imposes a stricter requirement than current federal policies and could exacerbate the existing digital divide for our most vulnerable populations. We urge this Committee to **permanently remove the in-person visit requirement for audio-only telehealth consultations** to ensure equitable access for all patients, especially those who face transportation, financial, or technological barriers.

The Centers for Medicare & Medicaid Services (CMS) has established clear guidelines for audio-only telehealth for both behavioral and non-behavioral health services:

- CMS allows audio-only telehealth to be used permanently for both non-behavioral and mental health services without requiring an in-person visit first, as long as the patient either cannot or chooses not to use video. This permanent inclusion will take effect after March 31, 2025, when the current temporary flexibilities expire (U.S. Department of Health and Human Services, 2024).





**WAIANAE COAST  
COMPREHENSIVE  
HEALTH CENTER**

- The in-person visit requirement is not part of CMS's permanent inclusion policy for audio-only telehealth. After March 31, 2025, audio-only services can continue without a prior in-person visit, as long as the patient is either unable to use video or chooses not to use it. This is in line with CMS's goal to improve access to care by removing barriers for patients who lack video capabilities or prefer not to use video (U.S. Department of Health and Human Services, 2024).

CMS's permanent policy reflect the federal government's recognition that audio-only telehealth is necessary for behavioral health, primary care, and chronic disease management.

SB1281 SD2 is a step in the right direction, but by amending it, this Committee has the opportunity to expand telehealth further. Please support health equity by ensuring that telehealth remains a lifeline for patients rather than another hurdle to overcome. **We urge the Committee to please pass SB1281 SD2 with amendments.**

#### **Reference**

U.S. Department of Health and Human Services. (2024). *Telehealth policy updates: Extensions of telehealth access options*. Telehealth.HHS.gov.

<https://telehealth.hhs.gov/providers/telehealth-policy/telehealth-policy-updates>



March 12, 2025

The Honorable Gregg Takayama, Chair  
The Honorable Sue L. Keohokapu-Loy, Vice Chair  
House Committee on Health

Re: SB 1281 SD2 – RELATING TO TELEHEALTH

Dear Chair Takayama, Vice Chair Keohokapu-Loy, and Members of the Committee:

Hawaii Medical Service Association (HMSA) respectfully opposes SB1281 SD2, which updates the State's laws on telehealth services to conform with federal Medicare regulations, requires the Insurance Commissioner to report to the Legislature on reimbursements claimed in the previous year for certain telehealth services, and repeals the sunset date of Act 107, Session Laws of Hawai'i 2023.

### **Acknowledgement and Collaboration**

We appreciate the legislature's recognition of the importance of continued access to audio-only telehealth for behavioral health services. This has been a vital means of access for many individuals. We also want to highlight the collaboration among lawmakers and healthcare stakeholders that contributed to adoption of Act 107 in 2023. Our ongoing work with these stakeholder align with the ultimate goal of:

1. Repealing the sunset date of Act 107 to ensure perpetual access to mental health care services through audio-only telehealth.
2. Honoring the relaxed guardrails for initiating and continuing audio-only telehealth for services as agreed upon in 2023.
3. Maintaining the reimbursement rates established in 2023.

### **HMSA's Position on Behavioral Health Legislation**

HMSA fully supports the efforts of legislators and this committee to make behavioral healthcare accessible, especially on the Neighbor Islands and in rural areas where in-person services are difficult to obtain. However, we believe the current proposed legislation deviates from the original intent of Act 107. The efforts to align with Medicare are incomplete, the proposed increase in reimbursement rates is unjustified, and the changes to the current guardrails would, in our opinion, make it more difficult for behavioral health providers and their patients to access care.

**Medicare Alignment:** The bill's current language attempts to allow audio-only for any telehealth service, justifying this as a way to better align with Medicare. While the Code of Federal Regulations<sup>1</sup> definition of interactive telecommunication system was updated to include audio-only communication technology for any telehealth service, this federal definition must be considered alongside Section 1834(m) of the Social Security Act<sup>2</sup>. This section states that the only covered telehealth services allowed in the home are for the diagnosis, evaluation, or treatment of mental health or substance use disorders, and for monthly ESRD-related clinical assessments. Therefore, HMSA believes that the expansion of audio-only telehealth as written in this bill is taken out of context and does not conform to the intent of federal Medicare regulations.

1. [https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-B/part-410/subpart-B/section-410.78#p-410.78\(a\)\(3\)](https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-B/part-410/subpart-B/section-410.78#p-410.78(a)(3))  
2. [https://www.ssa.gov/OP\\_Home/ssact/title18/1834.htm#:~:text=\(m\)%20Payment,of%20such%20paragraph](https://www.ssa.gov/OP_Home/ssact/title18/1834.htm#:~:text=(m)%20Payment,of%20such%20paragraph)





**Reimbursement Rates:** HMSA recognizes audio-only telehealth as an important means of access for members lacking technological resources or digital literacy. However, audio-only telehealth is generally not considered an equal substitute to audio/video telehealth or face-to-face service, due to inherent limitations and lower delivery cost. Therefore, we do not believe there is justification to raise reimbursement for audio-only services to equal that of in-person or video-based telehealth visits. Equal reimbursement rates would significantly increase health care costs, eventually resulting in higher premiums for businesses and/or higher copays for individuals.

**Maintaining Accessibility:** Hawaii's unique geography makes it difficult for behavioral health providers and patients to connect in person. This is one of the main reasons why the original legislation included the option of using audio-visual telehealth for the initial visit and annual follow ups required to deliver audio-only care. Eliminating this option could create multiple barriers for behavioral health providers and patients who may not have the capability to conduct in-person visits.

The field of telemedicine is continuously evolving. As the flexibilities and waivers introduced during the Public Health Emergency (PHE) come to an end, the healthcare community must continue to collaborate to expand access without sacrificing quality. HMSA considers Act 107 a prime example of this effort and we support CMS' opinion that mental health services are unique among Medicare telehealth services, as many of the services primarily involve verbal conversation.

#### **Request for House Version Adoption**

We appreciate the thorough effort and careful deliberation that shaped the House version of this bill. The language and provisions in HB557 clearly and effectively address the key issues and align with our shared goals. Therefore, we respectfully request that you consider adopting the language from HB557 HD2.

Thank you for the opportunity to testify on this measure.

Sincerely,

Dawn Kurisu  
Assistant Vice President  
Community and Government Relations

# Hawai'i Mental Health Coalition

---

Hawai'i Psychological Association | National Association of Social Workers  
Hawaiian Islands Association for Marriage and Family Therapy | Hawai'i Counselors Association

March 12, 2025

Rep. Gregg Takayama, Chair  
Rep. Sue Keohokapu-Lee Loy, Vice Chair  
Members of the Committee on Health

Re: Support for SB 1281, SD2, Relating to Telehealth

Aloha!

The Hawai'i Mental Health Hui strongly supports SB 1281, SD2, relating to telehealth. On behalf of our member organizations which include psychologists, social workers, counselors, and marriage and family therapists dedicated to serving the mental health needs of Hawai'i's residents, we continue to strongly support this measure so that there will be continued insurance reimbursement for mental health services delivered telehealth. We advocate for:

- Insurance reimbursement for mental health services delivered via telehealth; we have consistently advocated for 100 percent reimbursement;
- Audio-only telehealth services as video requirements may prevent some Hawaii residents from receiving mental health services; and
- Removal of the sunset date from Act 107 (Session Laws of Hawaii 2023).

Hawai'i faces a severe shortage of mental health providers, a crisis that is especially acute in our rural and neighbor island communities. Geographic isolation, transportation barriers, and the lack of local specialists often prevent residents from receiving the care they need. Audio-only telehealth has been a vital solution, allowing individuals to access mental health services despite technological, economic, or logistical limitations.

For many of our clients—kupuna, Native Hawaiian and Pacific Islander communities, those with disabilities, and individuals with limited digital literacy—video-based telehealth is simply not an option. Reliable broadband access remains inconsistent across our islands, leaving too many residents without the ability to engage in video appointments. Audio-only telehealth ensures that these individuals are not left behind.

Reimbursement for audio-only mental health services is essential for equitable access to care, reducing health disparities, and preventing crises that result in unnecessary emergency room visits or hospitalizations. Without this policy, many of our most vulnerable residents would face an insurmountable gap in services, leading to increased suffering and strain on an already overburdened healthcare system. We respectfully urge this committee to pass SB 1281, SD2, to protect and sustain access to essential mental health care for all of Hawai'i's communities.

We wish to serve as a resource for policymakers as this measure advances.

2025 Hawaii  
Leadership Board

## Testimony to the House Committee on Health Wednesday, March 12, 9:00 AM Hawaii State Capitol, Conference Room 329, and Videoconference

Travis Kikuchi, *Chair*  
*Senior Vice President*  
*Central Pacific Bank*

Lori McCarney, *Immediate*  
*Past Chair Community*  
*Advocate*

Tricia Medeiros, *Past Chair*  
*Chief Operating Officer*  
*The Plaza Assisted Living*

Gina Fujikami, *MD*  
*The Queen's Medical*  
*Center*

Kai Ohashi,  
*Financial Advisor Edward*  
*Jones*

Michael Robinson,  
*Vice President Hawaii Pacific*  
*Health*

Kimberly Soares, *Vice*  
*President Atlas Insurance*

Gino Soquena,  
*Executive Director*  
*Hawaii Building and*  
*Construction Trade Council*

Gordon Takaki, *Past*  
*President Hawaii Island*  
*Chamber of Commerce*

Cary Tanaka,  
*Past President*  
*Island Insurance*  
*Companies*

Caroline Witherspoon,  
*President Becker*  
*Communications*

LJ R. Duenas,  
*Executive Director*  
*Alzheimer's Association*

### RE: SB 1281 SD2 – RELATING TO TELEHEALTH

---

Chair Takayama, Vice Chair Lee Loy, and Members of the Committee,

My name is Coby Chock, and I am testifying on behalf of the Alzheimer's Association Hawaii Chapter. We are in **strong support** of SB1281 SD2, which relates to telehealth.

The Alzheimer's Association Hawaii Chapter is dedicated to supporting individuals and families affected by Alzheimer's disease and other dementias. We understand the critical importance of accessible healthcare services, especially for those living in rural and underserved communities. Telehealth has become an essential tool in providing care to these populations, ensuring they receive the medical attention they need without the barriers of distance and mobility.

The number of people living with Alzheimer's disease in Hawaii is 31,200, with 60,000 caregivers providing \$1,907,000,000 in unpaid care. This number is growing. Telehealth services are crucial for these individuals and their caregivers, as they often face significant challenges in accessing in-person healthcare services. The proposed changes in SB1281 SD2 would ensure that telehealth services, including audio-only communications, are reimbursed, providing much-needed support and flexibility for patients and caregivers alike.

Telehealth services allow patients in rural areas to connect with healthcare providers without the need for long and often difficult travel. This is particularly important for those with Alzheimer's disease, who may have mobility issues or require constant supervision. By enabling remote consultations, telehealth ensures that these patients receive timely and consistent care, which can significantly improve their quality of life. In alignment with this, we support the extension or permanency of Act 107 in its present form with the definition of "interactive telecommunications system" conforming to the Medicare Fee Schedule by citation

For these reasons, we strongly support SB1281 SD2 and urge your favorable consideration of this measure.

Mahalo for the opportunity to testify in support! If you have questions, please contact me at 808-451-3410 or [ckchock@alz.org](mailto:ckchock@alz.org)



Coby Chock  
Director of Public Policy and Advocacy  
Alzheimer's Association - Hawaii



ALOHA CARE

To: The Honorable Gregg Takayama, Chair  
The Honorable Sue L. Keohokapu-Loy, Vice Chair  
House Committee on Health

From: Paula Arcena, External Affairs Vice President  
Mike Nguyen, Director of Public Policy  
Sarielyn Curtis, External Affairs Specialist

Hearing: Wednesday, March 12, 2025, 9:00 AM, Conference Room 329

RE: **SB1281 SD2 Relating to Telehealth**

---

AlohaCare appreciates the opportunity to provide testimony in **support with comments of SB1281 SD2**. This measure updates the State's laws on telehealth services to conform with federal Medicare regulations, requires the Insurance Commissioner to report to the Legislature on reimbursements claimed in the previous year for certain telehealth services, and repeals the sunset date of Act 107, Session Laws of Hawai'i 2023.

Founded in 1994 by Hawai'i's community health centers, AlohaCare is a community-rooted, non-profit health plan serving over 70,000 Medicaid and dual-eligible health plan members on all islands. Approximately 37 percent of our members are keiki. We are Hawai'i's only health plan exclusively dedicated to serving Medicaid and Medicaid-Medicare dually-eligible beneficiaries. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for access to quality, whole-person care for all.

AlohaCare is committed to improving access to care. We support telehealth, including audio-only telehealth, as a means for our members and residents across our State to access healthcare services more easily, especially given our State's provider shortages. We understand the value of audio-only telehealth services particularly for patients who may not have internet or broadband access, may not have the technical proficiency or support to use video technology, or may have privacy concerns about using video technology.

We understand this bill's impact is fairly broad, so we wish to focus our support and comments on the bill's impact on the Medicaid-eligible population. This measure will increase access to healthcare services for our members and Hawai'i residents broadly, especially for kupuna and those living in underserved rural, remote, and urban areas. However, we appreciate the comments, concerns, and recommendations raised by stakeholders, particularly Department of Human Services Med-QUEST Division (MQD) recommending thoughtful revisions to the



ALOHACARE

State's telehealth law. While we support, on the principle of improving access to care, (1) expanding telehealth to a broader array of services, deferring to practitioners' clinical judgement, and (2) financial parity for telehealth regardless of modality; we appreciate and support MQD's concerns regarding the proposed expansion and financial parity. As such, relative to Medicaid, AlohaCare would support an extension of the Act 107, Session Laws of Hawai'i 2023 with respect to Chapter 346, HRS. Should this Committee and the Legislature seek to expand the services available via audio-only telehealth, AlohaCare would be supportive and would note MQD's concerns regarding financial parity. Generally, this measure in any of the above permutations would ensure audio-only telehealth remains available as a critical tool improving access to care, particularly considering the provider shortages in our State.

Mahalo for this opportunity to testify in **support with comments** of **SB1281 SD2**.

**SB-1281-SD-2**

Submitted on: 3/10/2025 2:53:37 PM

Testimony for HLT on 3/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ellen Awai	Individual	Support	Written Testimony Only

## Comments:

Please support SB1281.SD2 for telehealth reimbursements. I use urgent care facilities, since I change to new medical plans because the medical doctors do not know how to talk or treat patients respectfully like "old school". The first week in January last year, I was able to get a Queen's urgent care telehealth APRN the same day. I advised her of my medical plan was Devoted only a few years in Hawaii. But I got a bill from Queens Hospital saying the HMSA number they had did not want to process the claim. Is that why HMSA never changes their number so that they can continue billing patients in hopes that someone would pay for their illegal practices? I called Accounting but got an answering machine although it was during work times, so I called their administration office to give them the information. I was still being billed by Queens and eventually sent to a collections agency so that my credit can be ruined all over again! These illegal practices by staff, should be held accountable! People need to listen and process properly instead of angering people with no one answering their phones!

I would prefer to do telehealth than see a young person or foreigner, who asks why am I here? and taking up their valuable time. Although I spend almost an hour talking with an assistant, but they don't bother to read the file: Followed by security guards because they don't know what a service dog/animal does for you: or they send the police to your senior home because I refuse to take their medications or do invasive procedures that could damage me more than help them find 1-2% of people that may have cancer! They ruin people's lives thinking they know what is right and wrong for individuals, I prefer to heal on my own, but being a woman sometimes it's more difficult and antibiotic pills may be necessary!

**SB-1281-SD-2**

Submitted on: 3/10/2025 8:24:20 PM

Testimony for HLT on 3/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Marti Taba	Individual	Support	Written Testimony Only

## Comments:

Thank you for allowing testimony on Bill 1281. As a practicing family physician, I use telehealth services daily to care for my patients in a timely way. Although I did not use telehealth services prior to 2021, the CoVID 19 pandemic demonstrated the importance of telehealth to overcome obstacles to care (such as transportation, mobility challeges and time off work), mitigate infectious disease spread, and lessen disparities of health care in Hawai‘i as experienced in our rural and physically limited communities. As federal Medicare regulations quickly approach another deadline to renew or loose telehealth services, solidifying the ability of the people of Hawai‘i to access to health care via telehealth services is vital.

Mahalo for hearing my testimony.

**SB-1281-SD-2**

Submitted on: 3/11/2025 8:16:43 AM

Testimony for HLT on 3/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nash Witten	Individual	Support	Written Testimony Only

Comments:

As a Family Physician providing primary care in Haleiwa and Mililani I strongly support SB1281 SD2.