

STAND. COM. REP. NO. 1311

Honolulu, Hawaii

, 2025

**MAR 18**

RE: S.B. No. 1449

S.D. 1

H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Health, to which was referred S.B. No. 1449, S.D. 1, entitled:

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

begs leave to report as follows:

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

Your Committee received testimony in support of this measure from the Hawaii Medical Association; Hawaii Society of Clinical Oncology; Association for Clinical Oncology; and four individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Hawaii Association of Health Plans and Hawaii Medical Service Association.

Your Committee finds that prior authorization was initially created in the 1980s to identify and deny payment to doctors, hospitals, and health care providers that was deemed not medically necessary or appropriate. Your Committee further finds that since then, the practice of prior authorization has been more frequently

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used to deny medical claims, regardless of the medical necessity or appropriateness of the prescribed medical treatment. As a result, physicians and other health care providers must expend an increasing amount of time and money to go through the process of appealing denials to ensure patients receive the necessary medical treatment they were prescribed. Your Committee additionally finds that the basis for denial of prior authorization requests varies from insurer to insurer, further increasing costs for health care providers and delaying the timely provision of appropriate health care. Your Committee believes that requiring utilization review entities to provide data to the State on prior authorization use will increase transparency of the prior authorization process across health insurers and ensure the State's health care providers are able to deliver health care services to their patients in a safe and timely manner.

Your Committee has amended this measure by:

- (1) Inserting language establishing a Health Care Appropriateness and Necessity Working Group to make recommendations to improve and expedite the prior authorization process;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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



Respectfully submitted on  
behalf of the members of the  
Committee on Health,

  
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GREGG TARAYAMA, Chair

