

**STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**
DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

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

KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

JOHN C. (JACK) LEWIN, M.D.
ADMINISTRATOR

March 28, 2025

TO: SENATE COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

SENATE COMMITTEE ON COMMERCE AND CONSUMER
PROTECTION
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair and
Honorable Members

FROM: John C (Jack) Lewin MD, Administrator, SHPDA and
Senior Advisor to Governor Green on Healthcare Innovation

RE: **HB 250 HD2 SD1 -- RELATING TO HEALTH (Prior authorization)**

HEARING: Wednesday, April 2, 2025 @ 10:00 am; Conference Room 211

POSITION: SUPPORT with COMMENTS

Testimony:

SHPDA strongly supports HB250 HD2 SD1, with comments.

HB250 HD2 SD1 requires utilization review entities (insurers) to submit data relating to prior authorization of health care services to the State Health Planning and Development Agency (SHPDA) as part of HRS Chapter 323D to achieve transparency in prior authorization (PA) processes and to better understand where we stand with the PA process as a state and health sector. We believe this reporting can and should parallel as possible the federally required reporting already in place, but which does not require reporting from commercial insurance.

HB250 also positively establishes the Health Care Appropriateness and Necessity Working Group within the State Health Planning and Development Agency to endeavor to achieve consensus among insurers, providers, and purchasers/consumers of health care around nationally recognized and peer-reviewed standards, guidelines, and appropriate use criteria to be applied to prior authorization determinations to facilitate streamlining and then automation of PA processes.

Prior authorization has been a lightening-rod issue of contentiousness between providers (physicians/clinicians/hospitals), consumers, and insurers nationwide, resulting in the tragic murder of United Healthcare CEO, Brian Thompson, and which has triggered many state-based legislative proposals. The federal government has also set PA standards for insurers for Medicare and Medicaid due to take effect in 2027. Hawai`i seeks through this bill and its companion to begin to build trust back in our health sector through this approach to streamlining and improving the process.

This bill is now essentially identical to its Senate version SB1449, which has been passed on to Conference. Both that bill and HB250 have been amended positively from their initial versions, and much solid work has been done working with healthcare providers and insurers including HMSA, AlohaCare, and others, and with consumers/patients to move this issue to a place where real collaboration is now possible among all parties -- who we note were initially very divided on it. We are all interested in streamlining and even automating the prior authorization process in Hawai`i, and if we can, we will be the first state to do so.

Thank you for hearing HB250 HD2 SD1.

Mahalo for the opportunity to testify.

■ -- Jack Lewin MD, Administrator, SHPDA



**Testimony to the Senate Joint Committee on Commerce and Consumer Protection and
Ways and Means
Wednesday, April 2, 2025; 10:00 a.m.
State Capitol, Conference Room 211
Via Videoconference**

RE: HOUSE BILL NO. 0250, HOUSE DRAFT 2, SENATE DRAFT 1, RELATING TO HEALTH.

Chair Keohokalole, Chair Dela Cruz, 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** House Bill No. 0250, House Draft 2, Senate Draft 1, RELATING TO HEALTH.

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.

This measure, as received by your Committee, would require utilization review entities to report certain data to the State Health Planning and Development Agency (SHPDA), and establish the Health Care Appropriateness and Necessity Working Group (Working Group) to make recommendations to improve and expedite the prior authorization process.

We note that the bill, as presently written, would require that one consumer member of the Working Group be selected by the HPCA.

This measure would take effect on July 1, 3000.

The HPCA asserts 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 patients. Because of this, the HPCA believes that convening a panel of stakeholders to look at this issue would be beneficial to investigate ways of improving the situation for our citizens.

Testimony on House Bill No. 0250, House Draft 2, Senate Draft 1
Wednesday, April 2, 2025; 10:00 a.m.
Page 2

Accordingly, the HPCA 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@hawaiiipca.net.

April 2, 2025

**To: Chair Keohokalole, Chair Dela Cruz, Vice Chair Fukunaga, Vice Chair Moriwaki, and
Members of the Senate Committees on Commerce and Consumer Protection & Ways and
Means**

From: Hawaii Association of Health Plans Public Policy Committee

Date/Location: April 2, 2025; 10:00 am/Conference Room 211 & Videoconference

Re: Testimony with comments on HB 250 HD2 SD1 – Relating to Health.

The Hawaii Association of Health Plans (HAHP) appreciates the opportunity to comment on the current version of HB 250 HD2 SD1. 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 appreciates the efforts of lawmakers to improve prior authorization processes and emphasizes that prior authorization remains a critical, evolving mechanism essential for ensuring quality patient care. We recognize the importance of addressing providers' concerns and are committed to collaborating with stakeholders to enhance this process.

HAHP acknowledges the complexity of this issue and agrees that it warrants the formation of a working group to develop solutions that benefit all parties involved. Given our extensive experience with this matter, we appreciate being included in this working group and look forward to the opportunity to collaborate with lawmakers and stakeholders to ensure high-quality, affordable healthcare for our state.

Thank you for your consideration and the opportunity to provide comments on HB 250 HD2 SD1.

Sincerely,
HAHP Public Policy Committee
cc: HAHP Board Members

HB-250-SD-1

Submitted on: 3/28/2025 12:39:37 PM

Testimony for CPN on 4/2/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
mary drayer	Individual	Support	Written Testimony Only

Comments:

this bill is a long time coming for everyone!. when i saw it on the news last night, i said
FINALLY.

my health care providers spend way too much time and money submitting requests for
procedures i know they know i need . patients symptoms often get worse without treatment for
conditions that require approval for procedures. in the past years, i have seen the frustration and
sadness on my Doctor's face when he cannot take care of me in the manner i know he would
like. i often tell him i know the constraints he is under as regards my care.

PLEASE adopt this measure- it's a win-win ... even maybe my HMSA rates will go down a bit
??

HB-250-SD-1

Submitted on: 3/29/2025 12:10:15 PM

Testimony for CPN on 4/2/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Marcia Kemble	Individual	Support	Written Testimony Only

Comments:

Greetings Committee Chairs and Committee Members,

I am submitting testimony in strong support of HB250 HD2 SD1, which seeks to reform the prior authorization process by requiring utilization review entities to submit relevant data to the State Health Planning and Development Agency and by establishing the Health Care Appropriateness and Necessity Commission.

HB250 is a critical step toward transparency and accountability in the prior authorization process. This bill will help reduce unnecessary delays, prevent harmful denials, and improve patient outcomes across Hawaii. It would help to reduce the administrative burden for physicians and other healthcare workers, increase prompt access to necessary tests and treatments for patients, and improve satisfaction for both patients and the care team alike.

To retain and recruit physicians to Hawaii, we must create a system that allows doctors to focus on patient care rather than paperwork.

Mahalo for your consideration.

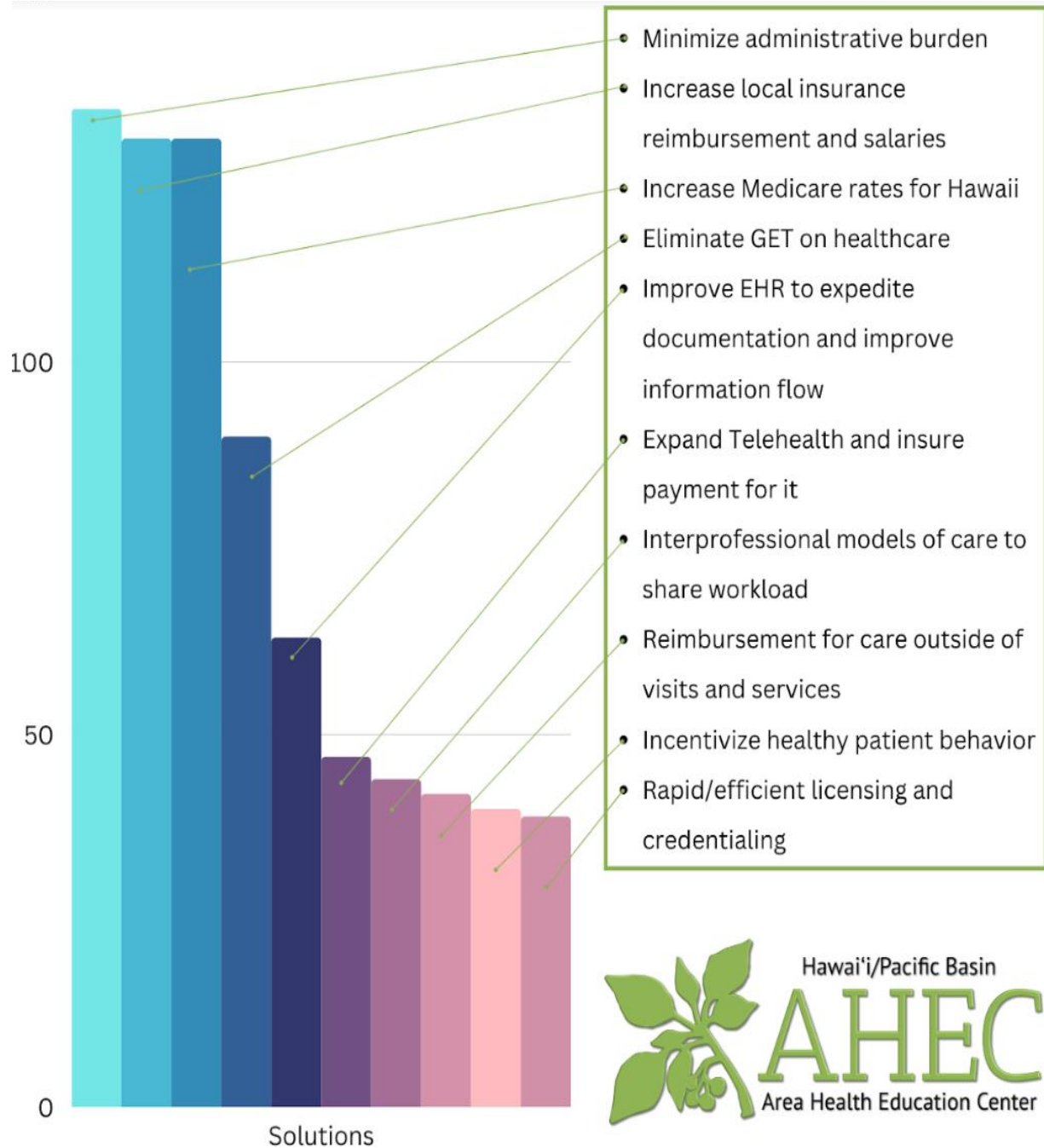
Marcia Kemble

Makiki

Please SUPPORT HB250!!

Prior Authorization is the TOP action that local healthcare workers report should be addressed to recruit and retain Hawaii's health workforce. A workforce with severe shortages!!

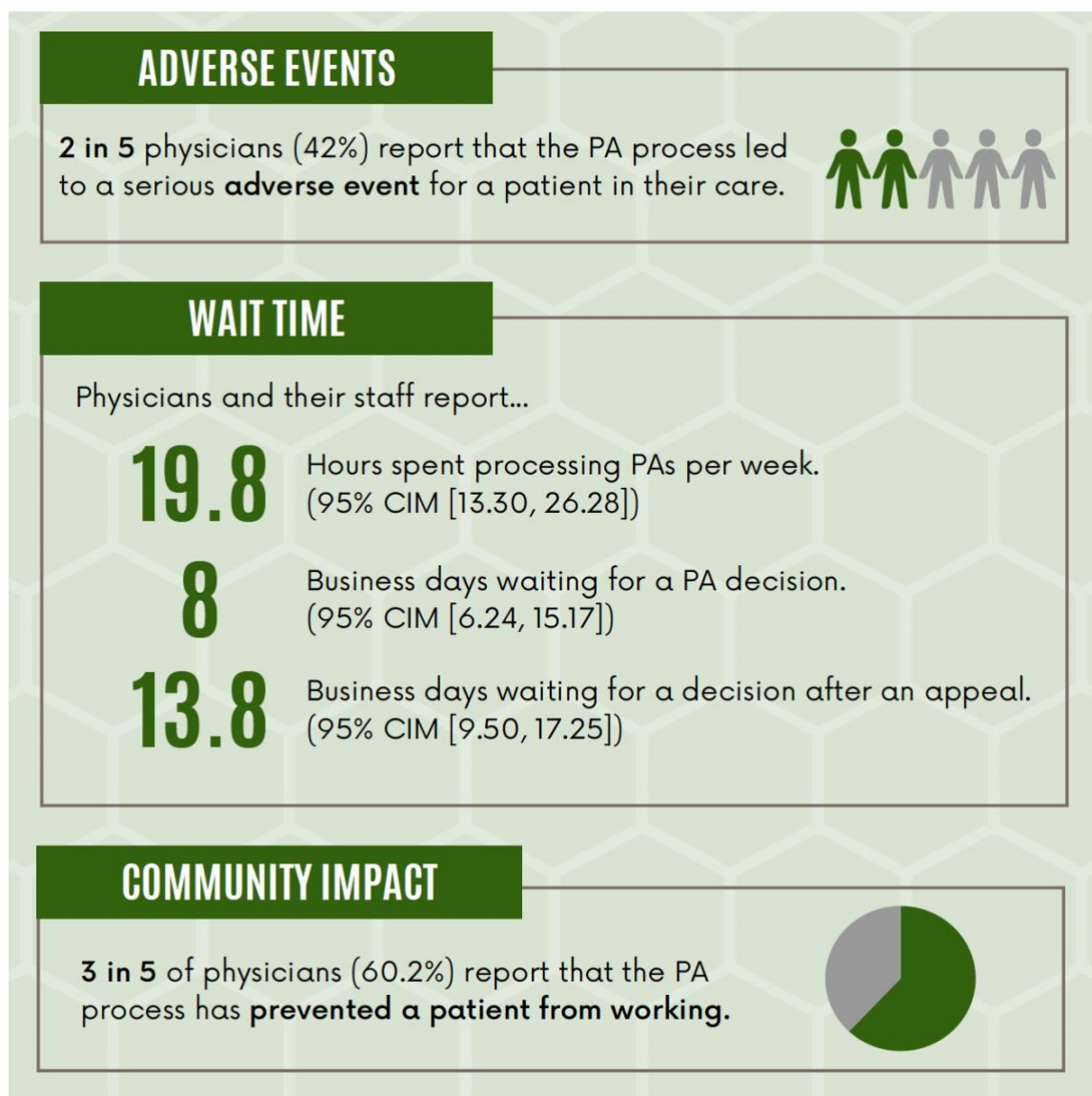
Over 400 participants from the Hawaii Health Workforce Summit voted on what needs to be done to recruit and retain healthcare worker:



Following that, 112 physicians voted on what is most important for simplifying ADMINISTRATIVE BURDEN and the most common responses were:

- **Prior Authorization**
- *Training or personnel hires*
- *EMR*
- *Billing*
- *Credentialing/licensure*
- *Quality Metrics*
- *Pharmacy*
- *Telehealth*
- *Travel (patients or providers)*

More recently, physicians answered an ongoing UH survey about prior authorization. The results indicate the urgent need to improve both the patient and the provider healthcare experience:



Thank you so much for considering this bill! As a physician, I can tell you that prior authorization reform is the most important thing to do right now to recruit and retain our physician workforce. I believe we should follow Medicare's rules about timeliness, and standardize our best practices. Therefore the transparency of number and types of claims and denials is essential for all prior authorizations including pharmacy, and the formation of a collaborative broad based group to review these and come up with a plan is the best course of action.

As a patient with chronic pain, I can tell you that one insurance denied my specialist physician's repeated PA requests for a medication. When I changed insurance type, the medication was quickly approved on the first request and I am now 98% pain free.

Prior authorization needs transparency and oversight for both patient and provider relief!

Thank you for hearing the bill, Kelley Withy, MD, PhD

LATE



‘Ahahui o nā Kauka

677 Ala Moana Blvd., Suite 1015

Honolulu HI 96813

Phone 808.548.0270

E-mail huikauka@gmail.com

2024-2025 Advocacy Committee

*Marcus Kāwika Iwane, MD
President*

*Kapono Chong-Hanssen, MD
Vice-President & Advocacy Co-
Chair*

*Kaohimanu Dang-Akiona, MD
Advocacy Co-Chair*

*Kara Wong Ramsey, MD
Treasurer*

Kapua Medeiros, MD

Natalie Young-Albanese, MD

March 27, 2025

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair

Senator Sharon Y. Moriwaki, Vice Chair

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair

Senator Carol Fukunaga, Vice Chair

Group Testimony in Support of

HB250 HD2 SD1 RELATING TO HEALTH (Prior Authorization)

'Ahahui o nā Kauka is an organization of Native Hawaiian physicians dedicated to the health of the people of Hawai'i and Native Hawaiians in particular. Prior Authorization requirements levied by health insurers have become a rampant source of frustration for both physicians and patients by covertly undermining our professional authority, doctor-patient relationships, and trust in the entire health care system. In his 2024 ruling, Judge Robert Kim concluded these types of requirements are "unconscionable" with the case exposing many examples of the cruel effects wrought by these policies. Unfortunately, prior authorizations are so widely utilized by insurers that they have become standard care (or lack thereof) rather than rare aberrations. Furthermore, the variability, lack of transparency, and lack of accountability in navigating appeals to these policy decisions compound the problem.

In rural and disenfranchised communities, including many Native Hawaiians, the damage caused by prior authorization policies are magnified. As these communities attempt to navigate the many barriers to accessing care, these policies all too often result in patients giving up and accepting the negative outcomes of the lack of care. We have pleaded with insurance plans to amend these universally applied policies to allow us to use our professional discernment to provide appropriate and timely care to meet the needs of the individual patient, and we have pleaded with our patients to have faith that the insurers will eventually do the right thing and approve their care. Still, it is no surprise prior authorization policies drive many of our patients to conclude the healthcare system never did and never will care for them.

We strongly support increasing accountability and transparency for health insurers by requiring them to share prior authorization policy data with the State Health Planning and Development Agency.



LATE

Hawaii Medical Association

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

SENATE COMMITTEE ON WAYS AND MEANS

Senator Donovan M Dela Cruz, Chair
Senator Sharon Y Moriwaki, Vice Chair

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Date: April 2, 2025

From: Hawaii Medical Association (HMA)

Jerald Garcia MD - Chair, HMA Public Policy Committee

Re: HB 250 HD2 SD1 RELATING TO HEALTH - SHPDA; Prior Authorization; Utilization Review Entities; Reporting; Health Care Appropriateness and Necessity Working Group; Reports

Position: Support with amendments

This measure would require utilization review entities to submit data relating to the prior authorization of health care services to the State Health Planning and Development Agency; establish the Health Care Appropriateness and Necessity Working Group within the State Health Planning and Development Agency and require the working group to submit annual reports to the Legislature.

Time-consuming Prior Authorization (PA) processes delay patient care. Healthcare providers struggle to overcome PA barriers that impede the evaluation, diagnosis and treatment of their patients and divert valuable time and resources from direct patient care. This leads to lower rates of patient adherence to treatment, as well as harmful negative clinical outcomes.

The disclosure and reporting of the relevant payor utilization data of PA is imperative for meaningful analyses of challenges, and a body for oversight is necessary to address deficiencies as well as monitor progress. Given the complexities of PA and healthcare delivery, modifications and revisal will require ongoing assessment and review over time. **HMA strongly supports the establishment of the Health Care Appropriateness and Necessity Working Group.**

The group work to eliminate PA barriers may include specific consensus recommendations that reduce time delays and volumes of PA, improve transparency and ensure high quality review of care delivery for Hawaii patients, bridging PA policy gaps that may continue to exist otherwise. Therefore, **HMA also respectfully requests these two (2) amendments for consideration:**

- *Addition in subsection (a), insert (7):*

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

(7) Make recommendations on treatments for common chronic or long term conditions, for which prior authorization may remain valid for the duration of the treatment in the appropriate clinical setting.

- *Addition in subsection (e):*

(e) The state agency shall seek transparency and agreement among health care facilities, health care professionals, insurers, utilization review entities, and consumers related to the most respected clinical, scientific, and efficacious standards, guidelines, and appropriate use criteria corresponding to medical treatments and services most commonly triggering prior authorization determinations in order to reduce uncertainty around common prior authorization processes, and also foster automation of prior authorization to the benefit of all. The state agency shall explore means of achieving statewide health sector agreement on means of automating prior authorization determinations **that decrease delays and disruptions of medically necessary patient care** in the near future."

HMA strongly supports Prior Authorization reform that may reduce patient and provider burdens, improve patient access and facilitate the timely delivery of high quality and safe medical care. HMA greatly appreciates the continued thoughtful discussions and aloha of collaborators in SHPDA and HMSA as we explore solutions together.

Thank you for allowing the Hawaii Medical Association to testify in strong support of this measure with amendments.

REFERENCES AND QUICK LINKS

Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services (HHS).
CMS Interoperability and Prior Authorization Final Rule (CMS-0057-
[Fhttps://www.cms.gov/files/document/cms-0057-f.pdf](https://www.cms.gov/files/document/cms-0057-f.pdf)

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

American Medical Association. Issue Brief: Federal Changes to Prior Authorization Rules and their Impact on State Legislative Efforts.

https://cdn.ymaws.com/hawaiimedicalassociation.org/resource/resmgr/advocacy/prior_auth_issue_brief_on_fe.pdf

American Medical Association. 2023 AMA Prior Authorization (PA) Physician Survey. <https://www.ama-assn.org/system/files/prior-authorization-survey.pdf> Accessed Jan 28 2025.

American Association of Family Physicians (AAFP). Prior Authorization. <https://www.aafp.org/family-physician/practice-and-career/administrative-simplification/prior-authorization.html> Accessed Jan 28 2025.

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

LATE

April 2, 2025

The Honorable Jarrett Keohokalole, Chair
The Honorable Carol Fukunaga, Vice Chair
Senate Committee on Commerce and Consumer Protection

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair
Senate Committee on Ways and Means

Re: HB250 HD2 SD1 - RELATING TO HEALTH

Dear Chair Keohokalole, Chair Dela Cruz, Vice Chair Fukunaga, Vice Chair Moriwaki, and
Members of the Committees:

HMSA would like to offer comments on SB 1449 SD1 HD1, which requires utilization review entities to submit data relating to the prior authorization of health care services to the State Health Planning and Development Agency and establishes the Health Care Appropriateness and Necessity Working Group within the State Health Planning and Development Agency.

Acknowledgement and Collaboration

We thank the legislature for recognizing the importance of prior authorization (PA). It is one of many important components that help to maintain the high quality of health care delivered in Hawaii while ensuring the long-term sustainability of our state's healthcare system. HMSA has been actively collaborating with all stakeholders, including the State Health Planning and Development Agency, the Hawaii Medical Association, and the Hawaii Department of Health, to draft amendments to the current legislation and strike a compromise position. We all agree that our shared goal is to identify areas of improvement and lessen the administrative burden on providers.

HMSA Prior Authorization

HMSA currently meets, and typically exceeds, Centers for Medicare & Medicaid Services and National Committee for Quality Assurance timeliness requirements for PA. We do not require PA for emergency care or care that members receive when hospitalized.

HMSA is committed to forward progress, and we have participated in and convened conversations around solutions to administrative burden, eliminated PA requirements for certain procedures, expanded our Fast Pass Program for qualifying providers, and are moving towards a fully integrated and digitized PA process to further improve accuracy, efficiency, and turnaround time and minimize errors and administrative burden.



Thank you for the opportunity to testify on this very important measure.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dawn Kurisu', is positioned above the printed name.

Dawn Kurisu
Assistant Vice President
Community and Government Relations

LATE

HB-250-SD-1

Submitted on: 4/1/2025 2:23:27 PM

Testimony for CPN on 4/2/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Elizabeth Nelson	Individual	Support	Written Testimony Only

Comments:

I fully support this bill.

Elizabeth Nelson