

STAND. COM. REP. NO.

795

Honolulu, Hawaii

**MAR 03 2023**

RE: S.B. No. 1038  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1038, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TELEHEALTH,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify reimbursement for services provided through telehealth via an interactive telecommunications system, consistent with the 2023 Medicare Physician Fee Schedule; and
- (2) Define "interactive telecommunications system".

Your Committee received testimony in support of this measure from the Department of Human Services; University of Hawai'i System; AARP Hawai'i; Alzheimer's Association; American Cancer Society Cancer Action Network; Hawaii Medical Association; Hawai'i Pacific Health; Hawai'i Primary Care Association; Hawai'i Public Health Institute; Hawaiian Islands Association for Marriage and Family Therapy; Hawai'i Psychological Association; National Association of Social Workers, Hawai'i Chapter; Kapolei Chamber of Commerce; Epilepsy Foundation of Hawaii; and two individuals. Your Committee received comments on this measure from the Department of the Attorney General and Insurance Division of the Department of Commerce and Consumer Affairs.



Your Committee finds that the State faces a continued shortage of health care providers, particularly on the neighbor islands and in rural areas. The definition of "telehealth" has traditionally required both audio and video capabilities and excluded standard telephone contacts. However, elderly, as well as medically- and socially-complex patients often face limited broadband access and personal difficulty navigating the technological requirements of accessing traditional video telehealth care services. In these instances, telephonic communication has become a viable alternative for many in these communities to overcome barriers enabling them to access health care remotely. Including audio-only communication in the definition of "interactive telecommunications system" in certain circumstances, will allow these patients to better access and utilize the telehealth option.

Your Committee further finds that interested stakeholders in the health care community have had the opportunity to discuss potential amendments to this measure to further clarify the reimbursement provisions for audio-only communication. Amendments to this measure are therefore necessary to incorporate this consensus language.

Accordingly, your Committee has amended this measure by:

- (1) For provisions of the measure relating to private insurers, inserting language requiring that two-way, real time audio-only communication technology for purposes of diagnosis, evaluation, or treatment of a mental health disorder to a patient in their home be reimbursed at eighty percent of the same services provided via face-to-face contact between a health care provider and a patient, under certain conditions;
- (2) Inserting a repeal date of December 31, 2025; and
- (3) Amending section 1 to reflect its amended purpose.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1038, S.D. 1, as amended herein, and



recommends that it pass Third Reading in the form attached hereto  
as S.B. No. 1038, S.D. 2.

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



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JARRETT KEOHOKALOLE, Chair



