

JAN 17 2025

A BILL FOR AN ACT

RELATING TO REGULATION OF LICENSED OCCUPATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that state licensing
2 boards are intended to protect the public from licensed
3 professionals who are inadequately trained or incompetent, or
4 whose conduct is illegal or abusive towards consumers. The
5 licensing boards provide a mechanism for consumers to file
6 complaints about perceived unlawful or inappropriate action by
7 the licensed professional, for the boards to then investigate
8 and sanction if warranted. However, the licensing boards are
9 not automatically provided notification when a lawsuit or
10 administrative complaint is filed against a licensee. Existing
11 law requires only that the licensing boards be notified if a
12 final judgment, sanction, conviction, or settlement is enforced
13 by other entities against a licensee.

14 Accordingly, to better ensure consumer protection, the
15 purpose of this Act is to:

16 (1) Require mandatory reporting to licensing boards by a
17 licensee of any pending legal claim, action, or



1 administrative complaint filed against the licensee,
2 and for the licensing authority to review that
3 complaint and make any further inquiries; and

4 (2) Require the professional and vocational licensing
5 division of the department of commerce and consumer
6 affairs to review its procedures for oversight of
7 licensed occupations and assess whether additional
8 information about complaints and discipline against
9 licensees should be made public.

10 SECTION 2. Chapter 436B, Hawaii Revised Statutes, is
11 amended by adding a new part to be appropriately designated and
12 to read as follows:

13 **"PART . NOTICE OF LEGAL ACTION, CLAIM, OR COMPLAINT AGAINST**
14 **LICENSEE**

15 **§436B-A Application of part.** Notwithstanding section
16 436B-3, this part shall apply to all professions and vocations
17 required by law to be regulated by a licensing authority in the
18 State.

19 **§436B-B Notice of legal action or administrative complaint**
20 **pending against licensee; licensee and court obligation.**



1 (a) Within thirty days of a licensee's receipt of a
2 complaint, claim, or action for damages filed in a court or an
3 administrative complaint filed with a state or federal agency
4 against the licensee for actions related to the licensee's
5 license, the licensee shall provide written notice of the filing
6 to the respective licensing board and provide a copy of the
7 complaint, claim, or action. Failure to comply shall subject
8 the licensee to the penalties established pursuant to section
9 436B-16(b).

10 (b) Within thirty days of the filing of a complaint,
11 claim, or action for damages against a licensee for actions
12 related to the licensee's license, the clerk of the court or
13 administrator of the agency that received the filing shall send
14 to the respective board a copy of the complaint, claim, or
15 action.

16 **§436B-C Licensing authority review of legal action or**
17 **complaint filed against licensee.** Upon receipt of notice of
18 legal action or complaint filed against a licensee for
19 violations of the license, the respective licensing board shall
20 review the information and make further inquiry as needed."



1 SECTION 3. Section 453-8.7, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (a) to read:

4 "(a) Every physician or osteopathic physician licensed
5 pursuant to this chapter who does not possess professional
6 liability insurance shall report any complaint, claim, or action
7 for damages filed in a court, or an administrative complaint
8 filed with a state or federal agency against the physician for
9 actions related to the physician's license, or settlement or
10 arbitration award of a claim or action for damages for death or
11 personal injury caused by negligence, error, or omission in
12 practice, or the unauthorized rendering of professional
13 services. The report shall be submitted to the department of
14 commerce and consumer affairs within thirty days after the
15 licensee's receipt of written notice of any complaint, claim, or
16 action for damages, or within thirty days after any written
17 settlement agreement has been reduced to writing and signed by
18 all the parties thereto, or thirty days after service of the
19 arbitration award on the parties."

20 2. By amending subsection (c) to read:



1 "(c) The clerks of the respective courts of this State
2 shall report to the department any complaint, claim, or action
3 for damages for any death or personal injury caused by the
4 physician's or osteopathic physician's professional negligence,
5 error, or omission in the practice of the physician's or
6 osteopathic physician's profession, or rendering of unauthorized
7 professional services, or judgment or other determination of the
8 court, which adjudges or finds that a physician or osteopathic
9 physician is liable criminally or civilly for any death or
10 personal injury caused by the physician's or osteopathic
11 physician's professional negligence, error, or omission in the
12 practice of the physician's or osteopathic physician's
13 profession, or rendering of unauthorized professional services.
14 The report shall be submitted to the department within ten days
15 after the complaint, claim, or action for damages is filed with
16 the court or the judgment is entered by the court."

17 SECTION 4. Section 671-5, Hawaii Revised Statutes, is
18 amended by amending subsections (a) and (b) to read as follows:

19 "(a) Every self-insured health care provider, and every
20 insurer providing professional liability insurance for a health
21 care provider, shall report to the insurance commissioner the



1 following information about any medical tort claim, known to the
2 self-insured health care provider or insurer, that has been
3 filed with the court or settled, arbitrated, or adjudicated to
4 final judgment within ten working days following [~~such~~] the
5 disposition:

6 (1) The name and last known business and residential
7 addresses of each plaintiff and claimant, whether or
8 not each recovered anything;

9 (2) The name and last known business and residential
10 addresses of each health care provider who was claimed
11 or alleged to have committed a medical tort, whether
12 or not each was a named defendant and whether or not
13 any recovery was had against each;

14 (3) The name of the court in which any medical tort
15 action, or any part thereof, was filed and the docket
16 number;

17 (4) A brief description or summary of the facts upon which
18 each claim was based, including the date of
19 occurrence;

20 (5) The name and last known business and residential
21 addresses of each attorney for any party to the



- 1 settlement, arbitration, or adjudication, and
2 identification of the party represented by each
3 attorney;
- 4 (6) Funds expended for defense and plaintiff costs;
- 5 (7) The date and amount of settlement, arbitration award,
6 or judgment in any matter subject to this subsection;
7 and
- 8 (8) Actual dollar amount of award received by the injured
9 party.

10 (b) The insurance commissioner shall forward the name of
11 every health care provider, except a hospital and physician or
12 an osteopathic physician or surgeon licensed under chapter 453
13 or a podiatrist licensed under chapter 463E, against whom a
14 claim is made, settlement is made, an arbitration award is made,
15 or judgment is rendered to the appropriate board of professional
16 registration and examination for review of the fitness of the
17 health care provider to practice the health care provider's
18 profession. The insurance commissioner shall forward the entire
19 report under subsection (a) to the department of commerce and
20 consumer affairs if the person against whom a claim, settlement,
21 or arbitration award is made or judgment rendered is a physician



1 or osteopathic physician or surgeon licensed under chapter 453
2 or a podiatrist licensed under chapter 463E."

3 SECTION 5. The professional and vocational licensing
4 division of the department of commerce and consumer affairs
5 shall review its procedures for oversight of licensed
6 occupations and assess whether additional information about
7 complaints and discipline against licensees should be made
8 available to the public and submit a report to the legislature
9 no later than forty days prior to the convening of the Regular
10 Session of 2026.

11 SECTION 6. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 7. This Act shall take effect upon its approval.

14

INTRODUCED BY:

Karl Rhoads



S.B. NO. 800

Report Title:

DCCA; PVL; State Licensing Boards; Notice of Complaint or Claim; Report

Description:

Requires professional licensees to report any legal claim, action, or administrative complaint to state licensing boards and requires the boards to review the reported complaint. Requires the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs to review its procedures and report to the Legislature.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

