

Honolulu, Hawaii

APR 04 2025

RE: H.B. No. 250
H.D. 2
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and Ways and Means, to which was referred H.B. No. 250, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require utilization review entities doing business in the State to report certain data relating to prior authorization of health care services to the State Health Planning and Development Agency; and
- (2) Establish the Health Care Appropriateness and Necessity Working Group to make recommendations to improve and expedite the prior authorization process.

Your Committees received testimony in support of this measure from the State Health Planning and Development Agency, Hawai'i Primary Care Association, 'Ahahui o nā Kauka, Hawaii Medical Association, and five individuals.

Your Committees received comments on this measure from the Hawaii Association of Health Plans and Hawaii Medical Service Association.



Your Committees find that prior authorization is a health plan cost-control process that requires healthcare providers to obtain advance approval from a health plan before a specific service to a patient is qualified for a payment or coverage and has become an issue of contention between providers, consumers, and insurers nationwide. Existing prior authorization requirements have greatly diminished the provision of essential services to patients on a timely basis, negatively impacting the health care outcomes of patients and delaying patient care. In rural and disenfranchised communities, the damage caused by prior authorization policies are magnified. Your Committees further find that health care providers struggle to overcome prior authorization barriers that impede the evaluation, diagnosis, and treatment of their patients and create administrative burdens that can divert valuable time and resources from direct patient care. Your Committees recognize that developing consensus recommendations will help reduce the administrative burdens and costs of prior authorization and assist health care providers in ensuring the health and safety of their patients.

Your Committees have amended this measure by:

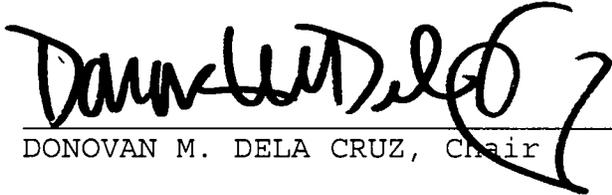
- (1) Inserting language requiring the working group to make recommendations on the treatments for common chronic or long-term conditions for which prior authorization may remain valid for the duration of the treatment in the appropriate clinical setting;
- (2) Clarifying that the State Health Planning and Development Agency shall explore means of automating prior authorization determinations that decrease delays and disruptions of medically necessary patient care in the near future; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 250, H.D. 2, S.D. 1, as



amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 250, H.D. 2, S.D. 2.

Respectfully submitted on behalf of the members of the Committees on Commerce and Consumer Protection and Ways and Means,

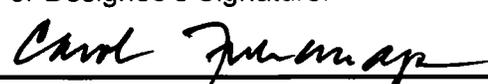

DONOVAN M. DELA CRUZ, Chair


JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* <i>HB250 HD2 SD1</i>	Committee Referral: <i>HHS, CPN/WAM</i>	Date: <i>4/2/25</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Thirty-Third Legislature
State of Hawai'i

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Committee on Ways and Means
WAM

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<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
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