

STAND. COM. REP. NO.

74

Honolulu, Hawaii

**FEB 03**, 2025

RE: H.B. No. 557  
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 H.B. No. 557  
entitled:

"A BILL FOR AN ACT RELATING TO TELEHEALTH,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Update the State's laws on telehealth services to conform with federal Medicare regulations;
- (2) Require the Insurance Commissioner to report to the Legislature on reimbursements claimed in the previous year for certain telehealth services; and
- (3) Repeal the sunset date of Act 107, Session Laws of Hawaii 2023.

Your Committee received testimony in support of this measure from the Department of Health; State Health Planning and Development Agency; University of Hawai'i at Mānoa John A. Burns School of Medicine; Hawai'i Primary Care Association; Hawai'i Pacific Health; OhanaPsych; Hawai'i Psychological Association; Hawaii Counselors Association; The Hawaiian Islands Association for Marriage and Family Therapy; National Association of Social Workers Hawai'i Chapter; AARP Hawai'i; American Cancer Society

2025-1174 HB557 HD1 HSCR HMSO



Cancer Action Network; Catholic Charities Hawai'i; AlohaCare; The Queen's Health Systems; Alzheimer's Association Hawaii Chapter; and three individuals. Your Committee received testimony in opposition to this measure from the Hawaii Medical Service Association and Hawaii Association of Health Plans. Your Committee received comments on this measure from the Department of Human Services and Department of Commerce and Consumer Affairs.

Your Committee finds that the State's rural and underprivileged communities are often cut off from receiving essential health care services through telehealth because they lack the broadband coverage necessary to access this care. Your Committee further finds that the use of standard telephone contact in telehealth during the COVID-19 pandemic demonstrated the effectiveness of this tool as a mode of essential health care delivery, particularly for residents living in rural, isolated, or underprivileged communities. Your Committee recognizes the concerns raised in testimony that the existing Medicare flexibility for expanded audio-only modalities is set to expire on March 31, 2025. Your Committee further recognizes the concerns that while Medicare guidelines do allow for the use of audio-only modalities for all services, these guidelines must be considered in parallel with the telehealth coverage provisions of section 1834(m) of the Social Security Act, which limits the kinds of health care services that can be provided in the home to mental health services, substance use disorder services, and end-stage renal dialysis.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying the definition of "interactive telecommunications system" by:
  - (A) Restricting the provision of two-way, real-time, audio-only communication technology between a patient and distant site health care provider for services furnished for the purposes of diagnosis, evaluation, or treatment of a mental health disorder; and
  - (B) Requiring health care providers to append a modifier designated by the Centers for Medicaid and Medicare Services to any claim for two-way, real-time audio-only communications technology to verify

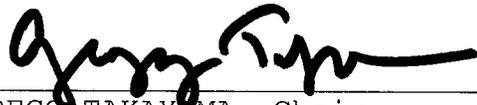


that the requirements for audio-only telehealth services have been met;

- (2) Removing the requirement that the Insurance Commissioner include the total number of claims for audio-only telehealth services not related to mental health from the required annual report to the Legislature; 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 H.B. No. 557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 557, 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,



---

GREGG TAKAYAMA, Chair



