

STAND. COM. REP. NO.

1745

Honolulu, Hawaii

, 2025

APR 01

RE: S.B. No. 1449
S.D. 1
H.D. 2

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1449, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PRIOR AUTHORIZATION OF HEALTH CARE SERVICES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require any utilization review entity in the State to submit 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 within the State Health Planning and Development Agency to make recommendations to improve and expedite the prior authorization process.

Your Committee received testimony in support of this measure from the State Health Planning and Development Agency; Hawaii Radiological Society; Hawaii Medical Association; and five individuals. Your Committee received comments on this measure from the Hawaii Association of Health Plans; Hawaii Medical Service Association; and one individual.

2025-2952 SB1449 HD2 HSCR HMSO



Your Committee finds that prior authorization is a health plan cost control process that requires physicians, other health care professionals, and hospitals to obtain advance approval from a health plan before a specific service is provided to a patient to qualify for payment or coverage. Your Committee further finds that prior authorization imposes unnecessary delays in treatment. Health care providers struggle to overcome prior authorization 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 and harmful negative clinical outcomes.

Your Committee further finds that the disclosure and reporting of relevant payor utilization data for prior authorization is imperative to meaningfully analyze challenges and ensure patients are able to make informed health plan choices. This measure therefore provides transparency on the practice of prior utilization in the State and provides a mechanism to further improve the practice through data.

Your Committee has amended this measure by:

- (1) Including laboratory and diagnostic tests as part of the Health Care Appropriateness and Necessity Working Group's assessment of whether requiring prior authorization is appropriate;
- (2) Specifying that the first report due from the Working Group is before the Regular Session of 2026; 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1449, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1449, S.D. 1, H.D. 2.



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



SCOT Z. MATAYOSHI, Chair



