

STAND. COM. REP. NO.

1198

Honolulu, Hawaii

MAR 20 2025

RE: S.R. No. 6
S.D. 1

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

Sir:

Your Committee on Health and Human Services, to which was referred S.R. No. 6 entitled:

"SENATE RESOLUTION URGING THE DIRECTOR OF HEALTH TO ESTABLISH A WORKING GROUP ON HEALTH INSURANCE REFORM TO PROVIDE RECOMMENDATIONS FOR REDUCING THE IMPACT OF PRIOR AUTHORIZATION REQUIREMENTS ON THE TIMELY DELIVERY OF HEALTHCARE IN THE STATE,"

begs leave to report as follows:

The purpose and intent of this measure is to urge the Director of Health to establish a working group on health insurance reform to provide recommendations for reducing the impact of prior authorization requirements on the timely delivery of health care in the State.

Your Committee received testimony in support of this measure from the Department of Health, State Health Planning and Development Agency, Hawaii Primary Care Association, Hawaii Medical Association, Hawaii Medical Service Association, and three individuals.

Your Committee received comments on this measure from the Department of Human Services, Kaiser Permanente Hawai'i, and Hawaii Association of Health Plans.



Your Committee finds that prior authorization is a process where a health care provider must get approval from a health insurance plan before providing certain medical services or prescriptions to a patient, ensuring that the treatment is deemed medically necessary and covered by the patient's health insurance plan. However, your Committee further finds that prior authorization in the State has become increasingly complex and opaque, causing delays in patient care, increasing administrative burdens, and eroding public trust in the health care system, as the process places cost saving ahead of optimal patient care. This measure convenes a working group to initiate collaborative conversations to mitigate the adverse impact of prior authorization in the State.

Your Committee has amended this measure by:

- (1) Deleting language that would have included the following as members of the working group on health insurance reform:
 - (A) A representative of the Hawaii Medical Service Association, to be selected and invited to participate by the Director of Health;
 - (B) A member of the Hawaii Medical Association, to be selected and invited to participate by the Director of Health; and
 - (C) An unspecified number of members who practice as family physicians in the State, to be selected and invited to participate by the Director of Health;
- (2) Inserting language to include the following as members of the working group on health insurance reform:
 - (A) Five members representing the health insurance industry, to be selected by the Hawaii Association of Health Plans and invited by the Director of Health to participate;
 - (B) Five members representing licensed health care professionals, two of whom shall be selected by the Hawaii Medical Association, two of whom shall be



selected by the Healthcare Association of Hawaii, and one of whom shall be selected by the Center for Nursing, to be invited by the Director of Health to participate; and

- (C) Five members representing consumers of health care or employers, two of whom shall be selected by the board of trustees of the Employer-Union Health Benefits Trust Fund, one of whom shall be a consumer selected by the Statewide Health Coordinating Council, one of whom shall be selected by the Hawaii Primary Care Association, and one of whom shall be selected by Papa Ola Lokahi, to be invited by the Director of Health to participate; and

- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that H.B. No. 250, H.D. 2, Regular Session of 2025, passed by the House of Representatives, similarly proposes to establish a working group to collaborate on prior authorization reform. Your Committee further notes that the working group proposed in H.B. No. 250, H.D. 2, comprises members similar to the members of the working group proposed in this measure, as amended. Accordingly, if H.B. No. 250, H.D.2 is enacted, this measure will no longer be necessary.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 6, as amended herein, and recommends that it be referred to your Committee on Commerce and Consumer Protection, in the form attached hereto as S.R. No. 6, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Health and Human
Services;



JOY A. SAN BUENAVENTURA, Chair



