



February 11, 2025 at 9:45 am
Conference Room 229

Senate Committee on Commerce and Consumer Protection

To: Chair Jarrett Keohokalole
Vice Chair Carol Fukunaga

Senate Committee on Health and Human Services

To: Chair Joy A. San Buenaventura
Vice Chair Henry J.C. Aquino

From: Hilton Raethel
President and CEO
Healthcare Association of Hawaii

Re: Testimony in Opposition
SB 953, Relating to Hospitals

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the healthcare continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 30,000 people statewide.

Thank you for the opportunity to provide testimony in **opposition** to this measure, which seeks to impose additional state-level hospital price transparency requirements that are not only duplicative of existing federal rules but also create unnecessary regulatory burdens on healthcare providers. While transparency in healthcare pricing is a worthy goal, this bill risks imposing conflicting and excessive requirements that could ultimately harm both hospitals and the patients they serve.

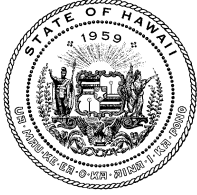
Hospitals are already required to comply with extensive federal price transparency rules established by the Centers for Medicare & Medicaid Services (CMS). These federal requirements mandate that hospitals post machine-readable files of standard charges and provide consumer-friendly displays of pricing information for shoppable services. Compliance with these regulations demands significant financial and administrative resources, including legal reviews, IT system upgrades, and continuous monitoring to ensure adherence. Layering additional state-level mandates on top of these existing federal rules will create unnecessary

complexity and costs for hospitals, diverting resources away from direct patient care. The state laws will also likely create conflicting interpretations of compliance requirements at both the state and federal levels.

An equally pressing concern is the uncertainty surrounding the regulatory landscape at the federal level. With a new presidential administration taking office next year, it is unclear what changes may be made to federal price transparency regulations. If federal standards are modified or repealed, hospitals could be forced to navigate conflicting mandates between federal and state rules, leading to significant compliance challenges and financial penalties. Rather than creating a redundant and potentially inconsistent regulatory framework, the state should allow hospitals to focus on meeting existing federal obligations without adding another layer of bureaucracy.

We are also concerned about the bill's punitive measures—such as publicly listing hospitals deemed "poor performers" and restricting their ability to collect payment for services—could have severe consequences. Compliance with transparency regulations is a complex process that requires continuous updates to reflect shifting payer contracts and regulatory changes. Penalizing hospitals for unintentional errors or minor discrepancies could result in financial instability, particularly for rural and safety-net hospitals that already struggle to remain viable.

We appreciate that patients can and should have access to the information they need to make important healthcare decisions. However, the duplicative and potentially conflicting requirements in this law could cause confusion for providers and patients alike, and we would ask for this measure to be deferred. Thank you for the opportunity to provide our testimony on this important matter.



**STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**
DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

LATE

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

JOHN C. (JACK) LEWIN, M.D.
ADMINISTRATOR

February 10, 2025

To: Senate Committee of Health and Human Services
Chair Joy San Buenaventura,
Vice Chair Henry JC Aquino, and
Honorable Members

From: Jack Lewin MD, Administrator, SHPDA, and Sr. Advisor to Governor
Josh Green MD on Healthcare Innovation

Re. SB 953

Position: SUPPORT with COMMENTS

Testimony:

SHPDA supports the intent of this act, but with comments.

SB 953 establishes the State's Hospital Price Transparency Act; and also prohibits hospitals from taking debt collection actions against a patient if the hospital is not in compliance with hospital price transparency laws. It also allows patients and patient guarantors to file suit against hospitals in violation; and requires hospitals to make public and post their Medicare reimbursement rates no later than 10/1/25 and deems violations as an unfair and deceptive act or practice.

It also requires the Department of Health to conduct performance assessments of hospitals for adherence to federal transparency rules annually and make a list of hospitals with poor performance available on its website no later than 2/1/2026. Requires the Department of Health to adopt rules.

SHPDA believes the intent here is a good. Hospitals need to offer patient, employer, and union purchasers of health care fair price transparency, updated at least annually and whenever price changes occur. There is growing political pressure for this nationally.

SHPDA also supports the intent of the novel means of enforcement by prohibiting hospitals from taking debt collection actions against patients, and giving them a means to file suit when such price transparency is not readily available. These provisions could reduce both patient accrual of medical debt and of unexpected costs of care.

If SHPDA were appropriately staffed and funded as the state's healthcare oversight agency, as HRS Section 323 (the SHPDA statute) generally implies we were originally intended to be, we would suggest this be our responsibility for rule adoption and to conduct performance assessments.

However, we are readily willing to work with the Department of Health on these rules and means of assuring hospital compliance with price transparency as requested.

Mahalo for the opportunity to testify.

■ -- Jack Lewin MD, Administrator, SHPDA

LATE

Dear Chair San Buenaventura and the Senate Health & Human Services Committee:

Thank you to Chair San Buenaventura for your leadership in bringing transparency to hospital prices for Hawaii consumers.

My name is Steve Fenberg and I recently termed out as the Colorado Senate President. I am now working on important public policy issues around the country, including working with an organization called Patient Rights Advocate to pass legislation that empowers health care patients to make informed decisions for their families.

SB953 is an important step to bring down the runaway costs of healthcare prices. SB953 empowers patients by requiring the posting of easily accessible, clear information on hospital services and pricing. Providing patients with cost information in advance of receiving care allows them to shop for services and creates competition between hospitals, driving down the overall cost.

Federal rule already requires hospitals to post their price list transparently online, but compliance and enforcement is inconsistent and, at times, nearly non-existent. As a result, Hawaii consumers receive varying levels of accessible information – most of which is difficult to understand. This bill will do what several other states have already done—allow the state to enforce the federal requirements in order to increase compliance at the state level.

SB953 will allow Hawaii patients to easily compare data when they are deciding where to receive their care. SB953 also includes reasonable enforcement mechanisms to ensure all of Hawaii's patient consumers have access to the same level of information.

Prices for a single service, like an MRI or joint replacement surgery, can vary widely across hospitals, sometimes by as much as 31x. It's important that this information is provided to patients ahead of time so they can make the most informed decision. If a patient is misled into paying an exorbitant price for a common procedure because they were unaware of the cost, why should they go deep into debt? They shouldn't.

Several states of all partisan persuasions have passed this bill in order to allow states to better enforce the federal requirements at a state level. Colorado passed this law in 2022 and Ohio recently passed it unanimously and Governor Dewine signed it into law just a few weeks ago. Many states are poised to pass it this year, including Nevada, Oregon, Kentucky, Wyoming, Illinois, Oklahoma, Pennsylvania, Michigan, and Iowa.

Please support SB953 and add Hawaii to the long list of states that are empowering consumers to take control of their family's health care costs.

Thank you,



Steve Fenberg

Former President of the Colorado Senate

Policy Advisor, Patient Rights Advocate



SUPPORT SB953

Hospital Price Transparency Act

Sponsor: SAN BUENAVENTURA

Cosponsors: CHANG, FEVELLA, KIDANI, MCKELVEY, MORIWAKI, RHOADS, RICHARDS

SB953 empowers patients by requiring posting of easily accessible, clear information on hospital services and pricing. Providing patients with cost information in advance of receiving care allows them to shop for services and creates competition between hospitals, driving down the overall cost.

Federal rule already requires hospitals to post their price list transparently online, but compliance and enforcement is inconsistent and, at times, nearly non-existent. As a result, Hawaii consumers receive varying levels of accessible information – most of which is difficult to understand.

SB953 will allow Hawaii patients to easily compare data when they are deciding where to receive their care. SB953 also includes reasonable enforcement mechanisms to ensure all of Hawaii's patient consumers have access to the same level of information.

Fast Facts:

- Federal rule already requires hospitals to post prices online for patient use – but federal enforcement is virtually non-existent and there is no way for Hawaii to enforce it without a state law
- Prices for a single service, like an MRI or joint replacement surgery, can vary widely across hospitals, sometimes by as much as 31x
- Colorado and Ohio have led the way by passing similar legislation with strong support from both Democrats and Republicans. This bill passed unanimously in Ohio in late 2024 and was signed by Republican Governor Mike Dewine.
- Other states currently considering this legislation in 2025 include, NV, NM, WY, OK, KY, OR, WA, IL, PA, MI, IN, and IA.

While some Hawaii hospitals are posting prices for services, many are confusing and unclear for the cost-conscious consumer.

SB953 will ensure that **all** Hawaii consumers have access to clear and accessible information with actual dollar amounts, so they can make an informed decision on where to receive care.

Hawaii - Hospital Systems' Price Transparency Compliance
The number of hospitals analyzed in the November 2024 Price Transparency Study

