

JAN 17 2025

A BILL FOR AN ACT

RELATING TO HOSPITALS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 323, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 **"PART**

5 **HOSPITAL PRICE TRANSPARENCY ACT**

6 **§323- Definitions.** As used in this part:

7 "Collection action" means any of the following actions with
8 respect to a debt for items and services purchased from or
9 provided to a patient by a hospital:

10 (1) Attempting to collect a debt from a patient or patient
11 guarantor by referring the debt, directly or
12 indirectly, to a debt collector, a collection agency,
13 or other third party retained by or on behalf of the
14 hospital;

15 (2) Suing the patient or patient guarantor or enforcing an
16 arbitration or mediation clause in any hospital



1 documents, including contracts, agreements,
2 statements, or bills; or

3 (3) Directly or indirectly causing a report to be made to
4 a consumer reporting agency.

5 "Collection agency" has the same meaning as defined in
6 section 443B-1.

7 "Consumer reporting agency" means any person that, for
8 monetary fees or dues or on a cooperative nonprofit basis,
9 regularly engages, in whole or in part, in the practice of
10 assembling or evaluating consumer credit information or other
11 information on consumers for the purpose of furnishing consumer
12 reports to third parties. "Consumer reporting agency" does not
13 include any business entity that only provides check
14 verification or check guarantee services.

15 "Debt" has the same meaning as defined in section 443B-1.

16 "Debt collector" means any person employed or engaged by a
17 collection agency to perform the collection of debts owed or due
18 or asserted to be owed or due to another.

19 "Department" means the department of health.

20 "Hospital" means a facility licensed pursuant to
21 section 321-14.5.



1 "Hospital price transparency laws" means section 2718(e) of
2 the Public Health Service Act, Public Law 78-410, as amended,
3 and rules adopted by the United States Department of Health and
4 Human Services implementing section 2718(e).

5 "Items or services" has the same meaning as "items and
6 services" as defined in title 45 Code of Federal Regulations
7 section 180.20.

8 **§323- Failure to comply with hospital price transparency**
9 **laws; debt collection; prohibition; remedies.** (a) Except as
10 provided in subsection (e), a hospital that is not in material
11 compliance with hospital price transparency laws, rules, or
12 regulations on the date that items or services are purchased
13 from or provided to a patient by the hospital shall not initiate
14 or pursue a collection action against the patient or patient
15 guarantor for a debt owed for the items or services.

16 (b) If a patient believes that a hospital was not in
17 material compliance with hospital price transparency laws on the
18 date the items or services were purchased by or provided to the
19 patient, and the hospital takes a collection action against the
20 patient or patient guarantor, the patient or patient guarantor
21 may file suit to determine if:



(1) The hospital was materially out of compliance with hospital price transparency laws, rules, or regulations on the date the items or services were provided; and

(2) The noncompliance is related to the items or services. The hospital shall not take a collection action against the patient or patient guarantor while the lawsuit is pending.

(c) If a judge or jury, considering compliance standards issued by the federal Centers for Medicare and Medicaid Services, finds a hospital to be materially out of compliance with hospital price transparency laws, rules, or regulations, the hospital shall:

(1) Refund the payer any amount of the debt the payer has paid and shall pay a penalty to the patient or patient guarantor in an amount equal to the total amount of the debt;

(2) Dismiss or cause to be dismissed any court action with prejudice and pay any attorney's fees and costs incurred by the patient or patient guarantor relating to the action;



(3) Remove or cause to be removed from the patient's or patient guarantor's credit report any report made to a consumer reporting agency relating to the debt; and

(4) Notify the department of the material noncompliance with hospital price transparency laws, rules, or regulations.

(d) Nothing in this section shall:

(1) Prohibit a hospital from billing a patient, patient guarantor, or third-party payer, including a health insurer, for items or services provided to the patient; or

(2) Require a hospital to refund any payment made to the hospital for items or services provided to the patient; provided that no collection action is taken in violation of this section.

(e) This section shall apply to critical access hospitals, as defined in section 346-1, beginning February 15, 2025.

§323- Standard charges; shoppable services; performance assessment; enforcement. (a) No later than October 1, 2025, each hospital shall make public and post the hospital's medicare reimbursement rates, if applicable.



1 (b) The department shall conduct a performance assessment
2 of each hospital for adherence to federal transparency rules by:

3 (1) Reviewing relevant information provided to the
4 department concerning a hospital's performance
5 assessment in connection with this section;

6 (2) Auditing hospital websites for performance relative to
7 federal price transparency rules; provided that in
8 evaluating performance, the department shall follow
9 rules, standards, and guidance published by the
10 federal Centers for Medicare and Medicaid Services;
11 and

12 (3) Confirming that each hospital submitted the rates
13 required pursuant to this section.

14 (c) If the department determines that a hospital has
15 performed poorly in its performance assessment pursuant to
16 subsection (b), the department may:

17 (1) Issue a written notice to the hospital that clearly
18 explains the manner in which the department determined
19 that the hospital performed poorly on the adherence to
20 price transparency; and



(2) Provide technical assistance to the hospital to improve performance.

(d) No later than February 1, 2026, the department shall create and maintain a publicly available list on its website of hospitals that performed poorly on the department's performance assessment. The department shall update the list annually.

(e) The notices and communications pertaining to price transparency pursuant to this section shall be subject to public disclosure pursuant to title 5 United States Code section 552, as amended, notwithstanding any exemptions or exclusions to the contrary, in full without redaction.

(f) Any person who violates subsection (a) shall be deemed to have engaged in an unfair and deceptive act or practice in the conduct of trade or commerce within the meaning of section 480-2.

§323- Rules. The department shall adopt rules pursuant to chapter 91 necessary to implement this part."

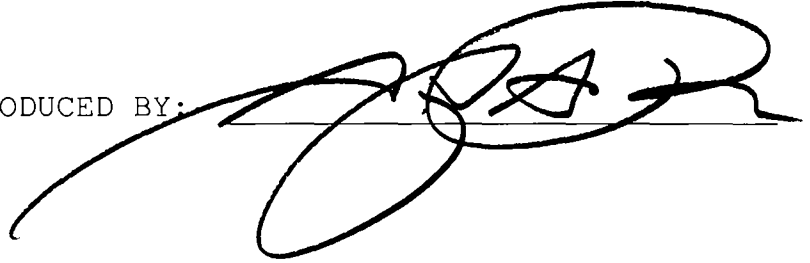
SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.



1 SECTION 3. This Act shall take effect upon its approval.

2

INTRODUCED BY:

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be the name of the person who introduced the bill.

Report Title:

DOH; Consumer Protection; Hospital Price Transparency Act;
Collection of Debt; Prohibition; Remedies; Medicare
Reimbursement Rates; Posting; Performance Assessment; Rules

Description:

Establishes the State's Hospital Price Transparency Act. Prohibits hospitals from taking certain debt collection actions against a patient if the hospital is not in compliance with hospital price transparency laws. Allows patients and patient guarantors to file suit against hospitals in violation. 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. 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.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

