

Honolulu, Hawaii

FEB 09 , 2026

RE: H.B. No. 1965
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committees on Health and Human Services & Homelessness, to which was referred H.B. No. 1965 entitled:

"A BILL FOR AN ACT RELATING TO PRIMARY CARE,"

beg leave to report as follows:

The purpose of this measure is to strengthen and protect primary care in Hawaii by:

- (1) Requiring each health carrier to allocate at least six percent of the carrier's total medical expenditures directly to primary care providers, with incremental increases to twelve percent;
- (2) Requiring health carriers to pay primary care providers directly, rather than through administrative mechanisms;
- (3) Prohibiting downcoding and abusive utilization review practices;
- (4) Requiring prompt reimbursement payments;
- (5) Requiring health carriers to ensure access to primary care in rural areas of the State; and



(6) Establishing the Primary Care Stabilization Special Fund.

Your Committees received testimony in support of this measure from the State Health Planning and Development Agency; one member of the Hawai'i County Council; Oceanic Wellness LLC; Hawai'i Association of Professional Nurses; Hawaii Healthcare Task Force; Kohala Coast Urgent Care & Mobile Health; Moloka'i Family & Urgent Care; AARP Hawai'i; Hawaii Medical Association; Mohala Health; and numerous individuals. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs; Department of Human Services; Hawaii Academy of Family Physicians, Legislative Committee; Hawaii Primary Care Association; Hawaii Medical Service Association; Waianae Coast Comprehensive Health Center; AHARO Hawaii; and one individual.

Your Committees find that Hawaii is facing an acute primary care access crisis. According to the University of Hawaii's most recent workforce assessment, the State has a shortage of approximately seven hundred sixty-eight providers and needs another one hundred fifty-two additional primary care providers statewide. Your Committees further find that although business costs for primary care providers have increased significantly, reimbursements have stagnated, leading many providers to leave insurance networks, retire early, or close their practices due to unsustainable financial pressures.

However, your Committees have heard the concerns raised in testimony that this measure may create significant regulatory, financial, and administrative challenges. Your Committees therefore believe that additional discussion on this topic is warranted to ensure that Hawaii's residents are able to access necessary health care services and that Hawaii's primary care providers are appropriately and adequately compensated.

Accordingly, your Committees have amended this measure by:

- (1) Deleting its substantive contents and inserting language establishing a Primary Care Provider Working Group within the State Health Planning and Development Agency to address issues relating to, and develop recommendations for the stabilization of, primary care services in Hawaii;



- (2) Requiring the Primary Care Provider Working Group to submit a report to the Legislature;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Homelessness that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1965, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1965, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services & Homelessness,



LISA MARTEN, Chair



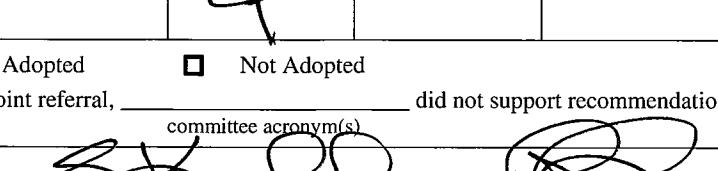
GREGG TAKAYAMA, Chair



State of Hawaii
House of Representatives
The Thirty-third Legislature

430R 57-26

Record of Votes of the Committee on Health

Bill/Resolution No.:	Committee Referral:	Date:		
HB19465	HLT/HOH, CPL, FIN	Feb 4, 2024		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKAYAMA, Gregg (C)	X			
2. KEOHOKAPU-LEE LOY, Sue L. (VC)	X			
3. AMATO, Terez	X			
4. HARTSFIELD, Daisy	X			
5. MARTEN, Lisa	X			
6. OLDS, Ikaika	X			
7. TAKENOUCHI, Jenna	X			
8. ALCOS III, David	X			
9. GARCIA, Diamond	X			
TOTAL (9)	9			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee		Duplicate (Yellow) – Chief Clerk's Office	Duplicate (Pink) – HMSO	

Record of Votes of the Committee on Human Services & Homelessness

Bill/Resolution No.:	Committee Referral:	Date:		
HB1965	HLT/HSH,CPC,FIN	2/4/2026		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HSH Members	Ayes	Ayes (WR)	Nays	Excused
1. MARTEN, Lisa (C)	X			
2. OLDS, Ikaika (VC)	X			
3. AMATO, Terez	X			
4. HARTSFIELD, Daisy	X			
5. KEOHOKAPU-LEE LOY, Sue L.	X			
6. TAKAYAMA, Gregg	X			
7. TAKENOUCHI, Jenna	X			
8. ALCOS III, David	X			
9. GARCIA, Diamond	X			
TOTAL (9)	9			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u>✓</u>				
Distribution: Original (White) – Committee		Duplicate (Yellow) – Chief Clerk's Office	Duplicate (Pink) – HMSO	