STAND. COM. REP. NO. 2432

Honolulu, Hawaii

FEB 19 2026

RE: S.B. No. 2425
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committees on Health and Human Services and Commerce and Consumer Protection, to which was referred S.B. No. 2425 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH INSURANCE,"

beg leave to report as follows:

The purpose and intent of this measure is to:

(1) Require health insurance carriers to honor a patient's written assignment of benefits to a substance use disorder treatment provider;

(2) Prohibit health insurance contracts from including anti-assignment clauses that restrict or invalidate a patient's right to assign benefits;

(3) Authorize the Insurance Commissioner to adopt rules and take enforcement action to ensure compliance;

(4) Require the Insurance Commissioner to publish an annual summary;

(5) Allow providers to bring civil actions to compel payment and obtain injunctive relief, damages, interest, and attorneys' fees for violations;

(6) Deem violations to be unfair methods of competition and unfair or deceptive acts or practices; and

(7) Require insurers to furnish an explanation of benefits to the assigned provider upon request.

Your Committees received testimony in support of this measure from the Mayor of the County of Hawai'i, The Ohana Addiction Treatment Center, Hawaii Substance Abuse Coalition, Hina Mauka, Intervention 911, and thirteen individuals.

Your Committees received comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs and Hawaii Medical Service Association.

Your Committees find that ensuring timely and direct payment to providers is critical for maintaining access to quality substance use disorder treatment in the State's communities. Timely payment ensures continuity of care and encourages more providers to serve residents in need. This measure strengthens the State's behavioral health safety net and improves outcomes for individuals and families struggling with substance use disorders.

Your Committees have amended this measure by:

(1) Deleting language throughout this measure that would have required the Insurance Commissioner to publish annually, by electronic or online publication on the official website of the Insurance Division, a summary of compliance trends, assignments of benefits honored or denied, and enforcement actions taken;

(2) Deleting language throughout this measure that would have authorized a substance use disorder treatment provider who is denied payment by a health insurance carrier despite a valid assignment to bring a civil action to compel compliance and to be awarded injunctive relief, actual damages, interest, reasonable attorneys' fees, and costs;

(3) Deleting language throughout this measure to clarify that the term "substance use disorder treatment provider" does not include any program that provides

partial hospitalization, intensive outpatient, or outpatient substance use disorder treatment services that are not subject to state licensure;

(4) Inserting an effective date of January 30, 2050, to encourage further discussion; and

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

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2425, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2425, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on behalf of the members of the Committees on Health and Human Services and Commerce and Consumer Protection,

JARRETT KEOHOKALOLE, Chair

JOY A. SAN BUENAVENTURA, Chair

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Health and Human Services
HHS

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2425	HHS/CPN, JDC	2/6/2026

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312 ☑ Pass, with amendments 2311 ☐ Hold 2310 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
SAN BUENAVENTURA, Joy A. (C)	✓			
MCKELVEY, Angus L.K. (VC)	✓			
KANUHA, Dru Mamo	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt				✓
TOTAL	4	0	0	1

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature:

Distribution: Original — File with Committee Report; Yellow — Committee; Pink — Drafting Agency

*Only one measure per Record of Votes

Revised: 01/21/26

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
SB2425	HHS/CPN, JDC	2/6/26

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312 ☑ Pass, with amendments 2311 ☐ Hold 2310 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
LAMOSAO, Rachele	✓			
MCKELVEY, Angus L.K.	✓			
AWA, Brenton	✓			
TOTAL	5	0	0	0

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature:

Carol Fukunaga

Distribution: Original — File with Committee Report; Yellow — Committee; Pink — Drafting Agency

*Only one measure per Record of Votes

Revised: 01/02/26