STAND. COM. REP. NO. 3024

Honolulu, Hawaii

MAR 0 6 2026

RE: S.B. No. 2425
S.D. 2

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

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2425, S.D. 1, entitled:

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

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

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

Your Committee received testimony in support of this measure from The Ohana Addiction Treatment Center and one individual.

Your Committee received testimony in opposition to this measure from the Hawaii Association of Health Plans.

Your Committee received comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that health insurance carriers in the State routinely do not honor a patient's written assignment of benefits for substance use disorder treatment. Instead, health insurance carriers send reimbursement checks for large sums of money directly to patients in early recovery, creating patient safety risks and access barriers for families seeking treatment. This measure will protect at-risk individuals, reduce preventable harm, and ensure that patients can continue treatment safely and in close proximity to their family and community.

Your Committee has amended this measure by:

(1) Changing "valid written assignment" to "written assignment that is validly executed in compliance with this title" throughout the measure; and

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

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2425, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2425, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Judiciary,

KARL RHOADS, Chair

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2425 SD1	HHS/CPN, JDC	2/27/26

☐ 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
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
CHANG, Stanley	✓			
SAN BUENAVENTURA, Joy A.	✓			
AWA, Brenton	✓			
TOTAL	5	—	—	—

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature: Mike Gabbard

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

*Only one measure per Record of Votes

Revised: 01/02/26