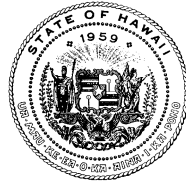


JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII



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STATE OF HAWAII
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**Testimony in OPPOSITION to SB2277 SD1
RELATING TO HOSPITAL PRICE TRANSPARENCY.**

REP. GREGG TAKAYAMA, CHAIR
HOUSE COMMITTEE ON HEALTH

Hearing Date: March 18, 2026

Room Number: 329

1 **Fiscal Impact:** If established in the Department of Health, an undetermined general fund
2 appropriation and permanent FTE are required to implement this measure.

3 **Department Testimony:** The Department of Health (DOH) is the inappropriate agency to
4 investigate and enforce federal price transparency requirements proposed in this measure.
5 DOH's licensing of hospitals is for patient health and safety, not hospital business practices. As
6 such, DOH offers an alternative to achieve this measure's policy objectives in budget-neutral,
7 requires no FTE, and can be implemented more expeditiously.

8 DOH proposes amending chapter 323, HRS, "HOSPITALS AND MEDICAL FACILITIES,"
9 with the substance of SB2277 SD1, but removing state agency oversight and **requiring hospitals**
10 **to contract with a third-party entity to intake complaints, determine compliance, represent**
11 **patient interests, and report aggregate data back to the hospital and to the public.**

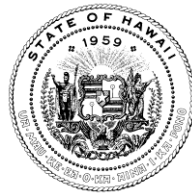
12 Precedence for this approach is codified in chapter 432E, HRS, "PATIENT'S BILL OF RIGHTS
13 AND RESPONSIBILITIES ACT," wherein patients have a **right to an independent external**
14 **review of insurance determinations**, which requires health insurance carriers to contract with
15 External Review Organization at no cost to the patient.

1 Hospital price transparency vendors are numerous, providing reporting services for Medicare-
2 participating hospitals and private health plans.

3 This model is budget neutral and can be implemented within several months, versus the years it
4 would take for a state agency to establish, recruit, train, promulgate Hawaii Administrative
5 Rules, and implement. The benefits to patients and healthcare cost control would be much more
6 immediate and effective.

7 Thank you for the opportunity to testify.

8



JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
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NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

Office of Consumer Protection

**Before the House Committees on Health
and
Human Services and Homelessness
Wednesday, March 18, 2026
9:00 AM
Via Videoconference
Conference Room 329**

**On the following measure:
S.B. 2277, S.D. 1, Relating to Hospital Price Transparency**

Chairs Takayama and Marten, and Members of the Committees:

My name is Melissa Enright, and I am an Enforcement Attorney at the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department offers comments.

Medical expenses are one of the few things that consumers in the United States pay for without always being able to easily estimate the costs in advance. Unlike shopping for a car, consumers generally do not "shop around" when facing a medical procedure, in part because the costs are not made readily available to the general public. By making the cost of a hospital item or service publicly available, consumers will benefit by being able to shop and compare prices across hospitals and estimate the cost of care ahead of time.

New HRS subsection 321-F(a) prohibits a hospital from initiating a collection action if the hospital is in violation of any section of the new Part in HRS chapter 321. See Page 13, line 18, to Page 4, line 3. However, the bill does not prohibit the agent of a hospital, such as a debt collector, from initiating an action on behalf of the hospital to collect a debt even if the hospital is in violation of the new Part in HRS chapter 321. Instead, proof of the violation creates an affirmative defense to an action filed by a hospital, or its agent, assignee, or successor in interest.

Existing law governing debt collectors (HRS chapter 443B) and collection practices (HRS chapter 480D) are not referenced in this bill. Those chapters prohibit various conduct by debt collectors and entities collecting on their own debts and violations are deemed unfair or deceptive acts or practices in trade or commerce in violation of HRS section 480-2. The term “debt collector” is defined at HRS section 480D-2, but the existing definition is not referenced in this bill. The term “collection agency” is defined at HRS section 443B-1, but the existing definition is not referenced in this bill. The term “consumer reporting agency” is defined at HRS section 489P-2, but the existing definition is not referenced in this bill.

While we appreciate the intent of this bill, we have not had an opportunity to thoroughly compare the proposed definitions with the existing definitions, nor have we reached any conclusions about the impact of creating new definitions for terms that already have a legal definition. We respectfully encourage the Committee to elicit testimony from interested stakeholders concerning the potential impact of this measure on existing consumer protections under state collection agency and debt collection laws.

Thank you for the opportunity to testify on this bill.



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

JOSH GREEN, MD
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

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

JOHN C. (JACK) LEWIN, MD
ADMINISTRATOR

March 16, 2026

TO: HOUSE COMMITTEE ON HEALTH
Representative Gregg Takayama, Chair
Representative Sue L. Keohokapu-Lee Loy, Vice Chair

HOUSE COMMITTEE ON HUMAN SERVICES & HOMELESSNESS
Representative Lisa Marten, Chair
Representative Ikaika Olds, Vice Chair
Honorable Members

FROM: John C. (Jack) Lewin, MD, Administrator, SHPDA, and Sr. Advisor to
Governor Josh Green, MD on Healthcare Innovation

RE: **SB 2277-SD1 -- RELATING TO HOSPITAL PRICE TRANSPARENCY**

HEARING: Wednesday, March 18, 2026 @ 09:00 am; Conference Room 329

POSITION: SUPPORT with COMMENTS

Testimony:

SHPDA strongly supports SB2277-SD1, with comments.

SHPDA supports SB 2277-SD1 because price transparency affects whether families can anticipate costs, compare options, and avoid preventable medical debt. This is especially important for neighbor island residents who often have fewer choices, for Native Hawaiian and Pacific Islander communities disproportionately burdened by chronic disease and cost barriers, and for low-income patients who are most exposed to aggressive collections when information is unclear or withheld. DOH is assigned oversight responsibility.

Our central implementation concern is whether DOH will have the practical capacity, staffing, enforcement, and legal support to monitor compliance and take timely action. If enforcement is under-resourced, the predictable result is selective compliance, continued opacity, and "business as usual" collections practices that shift risk onto patients rather than onto institutions that fail to meet disclosure requirements. For that reason, SHPDA defers to DOH on the operational details and costs required to effectively monitor, investigate, and enforce this measure statewide.

In a concentrated market, voluntary disclosure will not hold. If there is no monitoring and consequence, the incentive is to cherry-pick what looks good, bury what does not, and shift financial risk onto patients through confusion, delay, and debt collection.

The hospital price transparency aim of this bill aligns completely with the AHEAD Grant and the federal vision.

Therefore, we should consider how to achieve this in a way that does not overburden DOH.

For these reasons, SHPDA supports SB 2277-SD1 with comments and urges the Legislature to pair these consumer protections with enforceable, adequately resourced implementation led by DOH.

Thank you for hearing SB2277-SD1.

Mahalo for the opportunity to testify.

■ -- Jack Lewin, MD, Administrator, SHPDA

March 18, 2026

TO:

House Committee on Health
House Committee on Consumer Protection & Commerce

FROM:

Steve Fenberg, Policy Advisor to Patient Rights Advocate

RE:

Responsive Amendments for SB2277

My name is Steve Fenberg and I recently termed out as the Colorado Senate President. I now have a small consulting firm where I work on public-interest policy issues around the country, including advocating for health care affordability, which is something that impacts every community in every state across our country.

One of the ways to increase affordability in health care is to create a more functioning market, where patients, employers, and unions can advocate for themselves in a manner that creates more competition—something that is present in virtually every other sector of our economy except health care. However, competition cannot work without consumers having access to accurate prices for the service in question. This is where SB2277 comes into play.

As it came out of the Senate, SB2277 does the following:

- Affirms that hospitals in Hawaii must follow the federal price transparency requirements;
- Allows the Department of Health to monitor and enforce compliance with those federal requirements; and
- Gives consumers a reasonable recourse if they've been sent to collections or sued by the hospital and the hospital was not in compliance as it relates to the charge in question

Acknowledging challenging state budget constraints, as well as feedback from the hospitals, I would suggest the following good faith amendments to SB2277:

1. Strike sections 321-D and 321-E to remove monitoring and enforcement requirements from the Department of Health. This should eliminate any fiscal impact to the State and also remove the authority for the Department to issue fines or penalties to non-compliant hospitals; and
2. Strike section 321-G subsection (b) and all of 321-H, which removes the language that violations by a hospital are subject to penalties in Chapter 480, the unfair practices act.

If amended in this manner, the fiscal impact to the state will be removed, the primary concerns from the hospital association should be addressed, and the bill will still provide meaningful consumer protection

for patients who are facing a collection action for a surprise hospital bill. The remaining elements of the bill will largely be reduced to:

- If a hospital sues a patient for payment or sends them to collections, they must provide the patient an itemized bill so the patient knows what they're being sued for; and
- If a hospital sues a patient for payment or sends them to collections, and the patient has reason to believe that the hospital was not in compliance with price transparency, the patient can ask a judge to determine if the hospital was in material compliance. This is a very limited scenario, but still provides some consumer protection.

I hope these amendments illustrate that the goal of this bill is fairness and compliance, not opportunities for litigation or levying damages. I continue to be available to the committee or any stakeholders who are interested in discussing these proposed amendments or other concerns with SB2277.

Thank you for your time and consideration,



Steve Fenberg

Former President of the Colorado Senate
Policy Advisor, Silver Plume Strategies



March 18, 2026 at 9:00 am
Conference Room 329

House Committee on Health

To: Chair Gregg Takayama
Vice Chair Sue L. Keohokapu-Lee Loy

House Committee on Human Services and Homelessness

To: Chair Lisa Marten
Vice Chair Ikaika Olds

From: Hilton R. Raethel
President and CEO
Healthcare Association of Hawaii

Re: Testimony in Opposition
SB 2277 SD 1, Relating to Hospital Price Transparency

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. We appreciate the legislature's commitment to improving transparency in healthcare pricing and agree that patients should have access to information that will help them make informed decisions. However, this measure creates duplicative requirements for hospitals that will provide no meaningful additional information for consumers while imposing harsh penalties for non-compliance that go far and above what the federal government allows

Hospitals are already subject to extensive federal hospital price transparency requirements and have worked diligently to comply with. The federal rules require hospitals to publish a comprehensive machine-readable file of all standard charges and provide a consumer-friendly display of at least 300 shoppable services or a compliant price estimator tool. The Centers for Medicare and Medicaid Services (CMS) has clear authority to investigate complaints, audit hospitals, require corrective action plans, and impose substantial federal civil monetary penalties for noncompliance. Compliance with these federal rules requires significant and

ongoing investments in legal review, information technology systems, data validation, and continuous monitoring.

This measure would effectively duplicate those federal requirements and create a parallel enforcement structure at the state level. While the intent may be to strengthen oversight, layering additional state mandates on top of existing federal rules introduces the risk of conflicting interpretations and inconsistent compliance standards. Hospitals could find themselves navigating two separate regulatory regimes governing the same data sets, which are already highly technical and complex. It could also mean that, in trying to comply with one set of standards, the hospital could fall out of compliance with another, creating an untenable situation for resource-strapped organizations.

We are also mindful that the federal regulatory landscape is evolving. The current administration has recently sought stakeholder feedback on potential updates to price transparency standards, and additional rulemaking may follow. Enacting a state-level framework at this moment could result in overlapping or inconsistent requirements that would require further revisions and legislation.

Beyond the duplicative and burdensome requirements in this bill, we are particularly concerned about the measure's expanded enforcement and liability provisions. The measure authorizes significant civil penalties at the state level, in addition to penalties already available to CMS. Because hospital pricing files are large, dynamic, and dependent on frequently changing payer contracts and billing codes, even minor technical discrepancies could trigger financial exposure. For hospitals that are already operating on very narrow margins, especially rural and safety-net facilities, this additional layer of financial risk is meaningful.

In addition, the measure significantly increases litigation exposure by deeming certain violations to be unfair or deceptive acts or practices under state law. This would open the door to private lawsuits, including potential treble damages and attorneys' fees, based on compliance issues that are already regulated at the federal level. This seems like an outsized penalty, especially as hospitals in Hawaii strive to comply with what is ultimately a complicated reporting practice. For example, if the terms of a contract with an insurer changes and the hospital does not update its pricing documents immediately, that could open the facility up to major liability even though nothing untoward or deceptive was done by the hospital.

Hospitals in Hawaii continue to invest in substantial resources to meet stringent federal standards. However, hospital pricing data is extraordinarily complex and constantly evolving. Absolute perfection at all times is difficult to guarantee, particularly as payer contracts, coding structures, and regulatory guidance shift. Creating overlapping enforcement systems with significant penalties and private litigation triggers may ultimately increase administrative costs without materially improving consumer understanding.

If this committee would prefer to further a measure, we would suggest creating a mandate for hospitals to attest to compliance with federal price transparency laws and provide individuals

with contact information to discuss any charges prior to collection actions. Specifically, we would suggest striking the current Sections 1-4 and inserting the following language:

SECTION 1. Chapter 321, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

§321- Hospital Price Transparency (a) Each hospital shall annually attest to the department of health that it is in compliance with federal hospital price transparency requirements under title 45 Code of Federal Regulations part 180. The department may rely on this attestation and publicly available federal compliance determinations in monitoring compliance with this part.

(b) A hospital shall not be considered in violation of this part if the hospital is participating in a compliance or corrective action process with the Centers for Medicare and Medicaid Services to remedy any alleged noncompliance with federal hospital price transparency requirements, including through a corrective action plan or other documented compliance process recognized by the Centers for Medicare and Medicaid Services.

(c) Before initiating a collection action against a patient, a hospital or a debt collector acting on behalf of a hospital shall provide the patient with contact information for a designated office, department, or representative at the

hospital who can respond to patient inquiries or concerns regarding a bill.

(d) The department may adopt rules pursuant to chapter 91 as necessary to implement and administer this part.

SECTION 2. This Act shall take effect on January 1, 2028.