



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'

OFFICE OF THE DIRECTOR

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committees on Health and Human Services
and
Commerce and Consumer Protection
Friday, February 6, 2026
9:00 a.m.
State Capitol, Room 229 and via Videoconference**

**On the following measure:
S.B. 2425, RELATING TO HEALTH INSURANCE**

Chair San Buenaventura, Chair Keohokalole, and Members of the Committees:

My name is Scott K. Saiki, and I am the Insurance Commissioner (Commissioner) of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill 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.

While the Department appreciates the bill's goal of increasing access to substance use disorder treatment, the Department would like to comment on a few significant regulatory, financial, and administrative challenges presented by the measure.

Generally, this bill establishes a special status for substance use disorder (SUD) treatment providers that is currently unavailable to any other class of health care provider in Hawaii. The measure allows SUD treatment providers to bypass anti-assignment clauses and pursue a private right of action against insurance carriers. These benefits are not afforded to other health care providers and is a significant shift in the Insurance Code, which focuses its protections and legal remedies on the policyholder rather than the health care provider.

Subsection (a) requires health insurers to honor a valid written assignment of benefits (AOB) for substance use disorder (SUD) services and issue payments directly to the provider within 30 days. The Department notes that the term "valid" is not defined, which could lead to disputes as to what constitutes a "valid" AOB.

Subsection (b) treats any provision in an insurance contract that restricts or prohibits the assignment of benefits to a SUD provider as unenforceable. Currently, carriers use anti-assignment clauses as leverage to encourage providers to join their networks and accept lower rates. By removing this restriction, the bill may disincentivize SUD providers to remain "in-network," potentially leading to higher out-of-network costs.

Subsection (d) requires the Commissioner to publish an annual summary of compliance trends, assignments of benefits honored or denied, and enforcement actions. This adds an additional administrative workload for the Department, which would need to build a new reporting mechanism to collect and analyze this data.

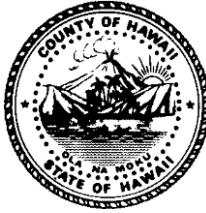
Subsection (e) creates a new private right of action for SUD providers. As stated above, this would be a benefit only to SUD providers and not other health care

providers. Additionally, the surge in litigation could lead to additional costs to insurance carriers, which could result in increased rates and premiums.

Subsection (i) defines a “substance use disorder treatment provider” to include “any program that provides partial hospitalization intensive outpatient, or outpatient substance use disorder treatment services that are not subject to state licensure”. The Department is concerned that the lack of licensure requirement could increase the risk of insurance fraud.

Thank you for the opportunity to testify.

C. Kimo Alameda, Ph.D.
Mayor



William V. Brilhante, Jr.
Managing Director

Merrick Nishimoto
Deputy Managing Director

County of Hawai'i ~ Office of the Mayor

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Testimony of
C. Kimo Alameda, Ph.D.
Mayor, County of Hawai'i

Before the Senate Committees on
Health and Human Services

Senator Joy A. San Buenaventura, Chair
Senator Angus L.K. McKelvey, Vice Chair

Commerce and Consumer Protection

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Friday, February 6, 2026, 9:00 A.M.

State Capitol Conference Room 229 & Videoconference

In consideration of
Senate Bill 2425
Relating to Health Insurance

Aloha Chair San Buenaventura, Vice Chair McKelvey, Chair Keohokalole, Vice Chair Fukunaga and
Members of the Committees,

Mahalo for the opportunity to testify in support of Senate Bill 2425, which requires health insurance carriers to honor a patient's written assignment of benefits to substance use disorder treatment providers.

Ensuring timely and direct payment to providers is critical for maintaining access to quality substance use disorder treatment in our communities. By prohibiting anti-assignment clauses and allowing patients to assign their benefits, Senate Bill 2425 removes unnecessary administrative barriers, allowing providers to focus on patient care rather than financial uncertainty.

The bill's provisions empowering the Insurance Commissioner to enforce compliance, publish annual summaries, and authorize civil actions for noncompliance are all essential steps to protect patients and support providers. Timely payment ensures continuity of care and encourages more providers to serve our residents in need.

I respectfully urge your favorable consideration of Senate Bill 2425 to help strengthen our behavioral health safety net and improve outcomes for individuals and families struggling with substance use disorders in Hawai'i.



Elliott@TheOhanaHawaii.com 

75-5915 Walua Rd.
Kailua Kona, HI 96740 

(877) 664-2622 

TESTIMONY IN SUPPORT OF SB2425
Relating to Health Insurance
HHS/CPN Public Hearing February 6, 2026

Aloha Chair and Members of the Committees,

My name is Elliott Michael Smith. I am a constituent from Kailua-Kona, Hawai'i, the CEO of a substance use disorder treatment program serving Hawai'i residents, and I am also in recovery myself. I am writing in strong support of SB2425.

SB2425 addresses a dangerous insurance practice that is restricting access to treatment across our state: insurers refusing to honor valid assignments of benefits and instead sending large reimbursement checks directly to patients after treatment, rather than paying the provider. This practice creates two serious harms.

First, it puts people in early recovery at risk. Early recovery is a medically and psychologically vulnerable period. Sending a large lump sum directly to someone who is newly sober is dangerous and can increase relapse risk. Tragically, we have experienced the loss of a former patient who received a substantial reimbursement payment and relapsed with fatal consequences shortly thereafter. Patients should never be placed in the middle of insurer payment practices in a way that increases relapse risk.

Second, it creates major barriers to care in Hawai'i. When insurers refuse to pay providers directly, many treatment programs are forced to require large upfront payments from patients to avoid nonpayment. That creates a substantial financial barrier for families seeking help. It also contributes to the shrinking availability of in-state options. In practice, many Hawai'i residents are forced to seek treatment on the mainland because local providers cannot sustainably operate while being denied direct payment. Being separated from family and support networks can hinder long-term recovery and increases emotional and financial strain for Hawai'i families.

SB2425 is a consumer protection and access-to-care bill. It simply requires insurers to honor a patient's valid written assignment of benefits so providers can be paid directly for covered services. This restores accountability to insurers and removes patients from an unsafe and unfair role as the payment intermediary.

At least twenty-nine states have enacted laws or issued regulations that require insurers to accept assignments of benefits or make direct payments to nonparticipating providers, reflecting that this issue is widely recognized as a barrier to care. (AL, AK, AR, CA, CO, CT, DE, FL, GA, ID, IL, IN, KY, LA, ME, MD, MA, MS, MO, NV, NH, NJ, OH, RI, SD, TN, TX, VA, and WY).

Hawai'i should adopt a similar standard to protect patients in early recovery and improve access to treatment.

I respectfully urge you to pass SB2425. This change will save lives, strengthen in-state access to treatment, and keep more Hawai'i residents at home with their 'ohana during a critical time in recovery.

Mahalo for the opportunity to submit testimony and for your consideration.

Respectfully,



Elliott M. Smith

Chief Executive Officer

The Ohana Addiction Treatment Center

Elliott@TheOhanaHawaii.com | (808) 746-9003



SB2425 Assignment of Payments for Substance Abuse

COMMITTEE ON HEALTH AND HUMAN SERVICES

Sen. Joy San Buenaventura, Chair

Sen. Angus McKelvey, Vice Chair

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Sen. Jarrett Keohokalole, Chair

Sen. Carol Fukunaga, Vice Chair

Friday, Feb 6, 2026: 9:00: Room 229 Videoconference

Hawaii Substance Abuse Coalition Provides Comments to Support SB2425:

ALOHA CHAIR, VICE CHAIR, AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the ad hoc leader of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization for substance use disorder and co-occurring mental health disorder prevention and treatment agencies and recovery-oriented services.

COMMENTS for SUPPORT:

While most HSAC substance abuse providers do receive payments directly from the insurer, there are instances where a provider may not, especially if services are provided to another island, such as traveling to rural communities that need more support.

For people with substance use disorders, it is important that insurance benefits be sent directly to the treatment provider instead of the patient who is in early stages of recovery.

1. Payment straight to the treatment facility helps providers get paid on time and reduces paperwork hassles for them.
2. It also helps prevent problems for patients:
 - a. Without assignment, providers would expect payment up front which can be a problem for a patient who has trouble making payments.
 - b. Patients may be stressed when receiving notices of bills past due while waiting for insurance payments. Moreover, the provider begins calling the patient asking for payment, which can be stressful for the patient, a factor contributing to relapse.

This bill is designed to streamline payment for substance use treatment, especially providers who may not be part of an insurer's usual network or approved site.

We appreciate the opportunity to provide testimony and are available for questions.



SB2425 Assignment of Payments for Substance Abuse

COMMITTEE ON HEALTH AND HUMAN SERVICES

Sen. Joy San Buenaventura, Chair

Sen. Angus McKelvey, Vice Chair

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Sen. Jarrett Keohokalole, Chair

Sen. Carol Fukunaga, Vice Chair

Friday, Feb 6, 2026: 9:00: Room 229 Videoconference

Hina Mauka Comments to Support SB2425:

ALOHA CHAIR, VICE CHAIR, AND DISTINGUISHED COMMITTEE MEMBERS. My name is Brian Baker. I am the President and CEO for Hina Mauka, a mental health and substance use disorder treatment and prevention agency for thousands of adults and adolescents on Oahu and Kauai, including recovery-oriented services and housing transitional living programs.

COMMENTS for SUPPORT:

For individuals in the early stages of recovery from substance use disorders, financial safeguards are a critical part of treatment—not just an administrative concern. Requiring insurance benefits to be paid directly to the treatment provider, rather than to the patient, creates a safer recovery environment and reduces the risk of unintentionally pulling patients back into harmful patterns.

Direct payment protects patients during a particularly vulnerable phase of recovery. When insurance payments are sent to patients, they may suddenly have access to significant funds at a time when financial triggers can undermine stability and increase relapse risk. Routing payments straight to the treatment facility removes that temptation and allows patients to stay focused on recovery rather than managing large or delayed reimbursements.

This approach also reduces stressors that can negatively impact recovery. Without assignment of benefits, providers often require upfront payment, which can be difficult or impossible for patients to manage. Delays in insurance reimbursement can lead to overdue bills, collection notices, or repeated calls from providers seeking payment. Financial anxiety of this kind is a well-recognized relapse risk and can destabilize progress made in treatment.

By streamlining payment directly to providers, this bill promotes continuity of care, minimizes financial pressure on patients, and supports recovery-focused treatment settings. It is especially important for substance use treatment providers that may operate

outside traditional insurance networks or approved sites, ensuring they can deliver care without placing additional burdens on patients who are working to rebuild their lives.

We appreciate the opportunity to provide testimony.

Intervention 911 Supports SB2425:

ALOHA CHAIR, VICE CHAIR, AND DISTINGUISHED COMMITTEE MEMBERS. My name is Eric McLaughlin. I am the CEO of Intervention 911 which supports individuals and their families who are impacted by Substance Abuse and Mental Health issues. I am also a constituent of Honolulu, HI and have enjoyed being part of the amazing Hawaii recovery community for over 6 years.

Insurance and access to treatment for people suffering from addiction is imperative as many people have lost everything and without insurance, would not be able to access treatment. Utilizing benefits is important and direct pay to clients/insured creates a barrier to accepting treatment as payment to provider is not assured. It also impacts the number of providers who can offer services particularly when individuals receive payment instead of the treatment center.

A significant portion of individuals who are not allowed to assign benefits to their provider are at risk for being denied services as there is no guarantee of payment to the provider as the money is received directly by the client at some point after services have been rendered. This can also be dangerous to someone newly sober and is vulnerable. Receiving that money can lead to relapse and even death.

Insurance companies have also long been able to utilize deceptive practices, lower repayments and make up the rules about what and will they wont cover despite promising to cover in their agreements. Many states allow insured individuals to assign benefits and Hawaii should do the same. This will allow providers a more fair recourse and hold insurance companies responsible to do what they are supposed in paying for services fairly and equitably.

Recommendation

We respectfully urge the Legislature to adopt policies that:

- Allows Providers to be paid for services provided and have no hesitation to provide services to those that are eligible due to fear of losing out on payment
- Protects people in recovery
- Allows for individuals to stay on island to receive treatment and involve their ohana in a way they can't if they are forced to go out of state for treatment
- Allow recourse for providers and insured individuals if their insurance company acts with malice and limits or refused to pay for services.

My name is Bridget Heady, Licensed Mental Health Counselor, and I serve as an Executive Director in Hawai'i's recovery and treatment community. I am writing in strong support of SB2425 / HB2209 because I have personally seen how the current insurance reimbursement practice can harm the very people it is meant to help.

When individuals in early recovery receive large insurance checks directly, it often places them in an impossible position to choose to continue their recovery journey or an option to fail. Early recovery is a fragile time. Many people are rebuilding their lives, learning stability, and trying to stay focused on healing. Handing someone a large sum of money during this stage can create overwhelming stress, trigger relapse, and undo progress. I have witnessed clients become confused, ashamed, or discouraged, sometimes walking away from care altogether because they did not know how to manage. They use this money to further deepen their addiction causing emotional regret, guilt and shame. In some circumstances this includes the death of the client, using drugs after being sober for any period of time poses an immediate threat to life. Sending large insurance reimbursement checks directly to individuals in early recovery can be deadly, as sudden access to significant funds increases the risk of relapse, overdose, and loss of life during one of the most vulnerable periods of recovery. Passing SB2425 / HB2209 is necessary to protect lives, reduce preventable harm, and ensure people can continue treatment safely and close to their family and community.

I have also seen how this system pushes people to leave Hawai'i for treatment on the mainland, separating them from their own families, culture, and support systems. Healing is strongest when people are surrounded by community. When treatment here becomes financially unstable, everyone loses, clients, providers, and Hawai'i as a whole.

This bill is about protecting people when they are most vulnerable. It is about reducing harm, supporting recovery, and allowing treatment providers to focus on care rather than financial chaos. SB2425 / HB2209 would help ensure continuity of treatment and keep recovery services accessible right here at home.

I respectfully urge you to pass this bill and stand with the individuals and families working toward healing and stability in our community.

Thank you for your time, consideration, and commitment to the people of Hawai'i.

Bridget Heady, LMHC



February 6, 2026

The Honorable Joy A. San Buenaventura, Chair
The Honorable Angus L.K. McKelvey, Vice Chair
The Honorable Jarrett Keohokalole, Chair
The Honorable Carol Fukunaga, Vice Chair

Senate Committee on Health and Human Services and Committee on Commerce and Consumer Protection

Re: SB 2425 – RELATING TO HEALTH INSURANCE.

Dear Chair San Buenaventura, Vice Chair McKelvey, Chair Keohokalole, Vice Chair Fukunaga and Members of the Committees:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to provide comments expressing strong concerns on SB 2245, which would require health insurance carriers to honor a patient's written assignment of benefits to a substance use disorder (SUD) treatment provider. The bill also prohibits health insurance contracts from including anti-assignment clauses that restrict or invalidate a patient's right to assign benefits, authorizes enforcement by the Insurance Commissioner, requires annual reporting, and allows providers to pursue civil actions and related remedies.

While HMSA supports efforts to improve access to SUD treatment, SB 2245 creates significant operational, financial, and consumer-protection risks that ultimately undermine coordinated, evidence-based care for patients.

Health plans enter into agreements with participating providers to ensure that members receive high-quality care at predictable, affordable costs. Requiring health plans to honor a patient's assignments of benefits to non-participating providers, while prohibiting contractual safeguards such as anti-assignment clauses removes critical protections that ensure services are medically necessary, clinically appropriate, and billed accurately.

Mandating direct payment to out-of-network providers is also concerning, as it weakens the ability of health plans to safeguard patients from excessive charges, unnecessary services, and potential fraud. SUD treatment is already a high-risk area for fraud, eliminating these oversight tools would significantly increase those risks. We are particularly worried that this bill could unintentionally open the door for bad actors to scam individuals struggling with substance use disorder. There has been significant fraud around this area in the mainland.

Finally, giving non-participating providers the same payment rights as contracted providers removes incentives to join health plan networks. Over time, this could reduce network adequacy, increase costs for patients, and diminished oversight of treatment quality.

Given the combined risks to patient affordability, care quality, fraud prevention, and network stability, HMSA has strong concerns with this measure. Thank you for the opportunity to express our concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Walden Au".

Walden Au
Director of Government Relations

SB-2425

Submitted on: 2/3/2026 12:46:28 PM
Testimony for HHS on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Joseph DeVasto	Individual	Support	In Person

Comments:

Aloha Chair and Members of the Committee,

My name is Joseph DeVasto, MA, and I submit this testimony in strong support of SB2425. I am a licensed mental health counselor and certified substance use disorder specialist with over 15 years of clinical experience working in detoxification, residential, and outpatient levels of care.

Throughout my career, I have worked directly with individuals and families navigating the devastating impacts of substance use disorders. I have repeatedly witnessed how insurance barriers, delayed payments, and anti-assignment clauses directly interfere with continuity of care, destabilize treatment providers, and ultimately place patients at increased risk of relapse, hospitalization, and death.

SB2425 addresses a critical and long-standing gap in Hawai‘i’s behavioral health system by ensuring that insurance carriers honor a patient’s lawful assignment of benefits to substance use disorder treatment providers. This is not merely an administrative issue—it is a patient-care issue. When providers are unable to receive timely and direct reimbursement for medically necessary services, programs are forced to limit admissions, reduce staffing, or prematurely discharge patients who still meet criteria for care.

From a clinical standpoint, substance use disorders require consistency, stabilization, and uninterrupted access to treatment. Financial uncertainty undermines this process and disproportionately harms vulnerable populations who already face barriers to care. SB2425 promotes accountability, transparency, and fairness while aligning Hawai‘i with evidence-based practices that support treatment access and provider sustainability.

Importantly, this bill does not expand benefits or mandate new coverage. It simply ensures that existing, covered services are paid appropriately and efficiently, allowing clinicians to focus on treatment rather than administrative disputes.

As a clinician working on the front lines of Hawai‘i’s substance use and mental health crisis, I strongly believe SB2425 will improve patient outcomes, strengthen our treatment infrastructure, and support ethical, patient-centered care.

Mahalo for the opportunity to submit this testimony and for your commitment to the health and well-being of our community.

Respectfully,

Joseph DeVasto, MA, CCAR
Mental Health Counselor
Substance Use Disorder Specialist
Primary Therapist

SB-2425

Submitted on: 2/3/2026 9:03:34 AM
Testimony for HHS on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael McGrath	Individual	Support	Written Testimony Only

Comments:

As a physician triple boarded in psychiatry, addiction medicine and pain medicine practicing in Hawaii for 30 years in mental health and addiction settings including public and private residential SUD treatment programs, I support the purpose of this bill to send payments directly to service providers rather than individuals who I have experienced not paying for services at residential addiction treatment centers when they receive the funds rather than the treatment center. This practice has led to financial harms to local addiction treatment centers disincentivizing them to provide their needed and life saving services to the citizens of our state.

Sincerely,

Michael McGrath, MD

SB-2425

Submitted on: 2/3/2026 10:49:00 AM
Testimony for HHS on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ken Clayton	Individual	Support	Written Testimony Only

Comments:

hello,

as a physician that has been practicing for over 20 years in the field of ob/gyn i beleive this measure would be beneficial to the overall care and management of the patients involved in recovery.

mahalo,

dr ken clayton

SB-2425

Submitted on: 2/3/2026 12:37:28 PM
Testimony for HHS on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Dr. Jeff Chester	Individual	Support	Written Testimony Only

Comments:

Aloha,

As a board certified addiction medicine physician specialist working in the Hawai'i for over two decades, I support SB2425.

This bill will allow Hawai'i residents to more likely stay in-state for their addiction treatment, as opposed to flying out of state for their care.

Better access to quality treatment in Hawai'i would reduce risk to the individual suffering with active addiction, as well as reduce risk to the entire community.

SB2425 seeks to reduce barriers to addiction treatment.

Aloha,

Jeffrey H. Chester, DO

<https://ponohealthcare.com>

Board Certified in Addiction Medicine by the American Board of Preventive Medicine

Lifetime Diplomate of the American Board of Addiction Medicine

Board Certified by the American Board of Physical Medicine and Rehabilitation

SB-2425

Submitted on: 2/4/2026 7:08:44 AM
Testimony for HHS on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jon M Caffery	Individual	Support	Written Testimony Only

Comments:

Dear Honorable Members,

I am writing in strong support of **Hawai‘i SB 2425**, relating to Health Insurance: Treatment Providers; Substance Use Disorder Services; Assignment of Benefits; and Anti-Assignment Clause Enforcement.

SB 2425 addresses a critical and persistent barrier to access to substance use disorder (SUD) treatment by ensuring that licensed and qualified treatment providers may receive direct reimbursement for medically necessary services. The enforcement of anti-assignment clauses has increasingly disrupted care delivery, created administrative burdens for providers, and placed unnecessary financial strain on patients and families seeking treatment during moments of crisis.

Substance use disorder treatment is time-sensitive, outcomes-driven, and often life-saving. When providers are unable to rely on assignment of benefits, patients are forced to navigate complex reimbursement processes while managing recovery—an unrealistic and inequitable expectation that disproportionately impacts low-income, rural, and underserved communities across Hawai‘i. SB 2425 offers a balanced and pragmatic solution by preserving patient choice while ensuring continuity of care and provider sustainability.

Importantly, this legislation strengthens Hawai‘i’s broader behavioral health and public health goals by:

- Improving timely access to licensed SUD treatment services
- Reducing treatment interruptions and provider attrition
- Supporting a stable and accountable treatment provider network
- Aligning insurance practices with clinical realities and patient-centered care

As Hawai‘i continues to confront overlapping challenges related to substance use, mental health, homelessness, and workforce shortages, policies that remove structural barriers to care are both fiscally responsible and morally necessary. SB 2425 reflects a thoughtful approach that protects consumers, supports providers, and reinforces the state’s commitment to recovery-oriented systems of care.

For these reasons, I respectfully urge your **“AYE” vote on SB 2425**.

Thank you for your leadership and consideration.

Sincerely,

Dr. Jon Caffery

SB-2425

Submitted on: 2/4/2026 9:18:36 AM
Testimony for HHS on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
micah gauthier	Individual	Support	Written Testimony Only

Comments:

As a person in field of recovery, a veteran, and peer of many in need of recovery treatment opportunities, I support this bill and have experienced first hand the hardships of victims due to unfair insurance practices here in Hawaii.

SB-2425

Submitted on: 2/4/2026 9:57:56 AM
Testimony for HHS on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jay Serle	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of SB2425

I strongly support SB2425. I am a Licensed Marriage and Family Therapist in the State of Hawai‘i and hold a PhD in Psychology. I have spent the majority of my career working in the substance use disorder field here in Hawaii, including serving in multiple roles with the State of Hawai‘i supporting individuals with substance use disorders.

Sending large insurance reimbursement checks directly to individuals in early recovery can be extremely dangerous . Those new in Recovery frequently are not equipped to make sound decisions regarding finances. Having large amounts of money makes relapse much more tempting, and achievable. Paying patients directly increases relapse risk and disrupts treatment. Requiring insurers to pay providers directly will improve treatment stability, safety, continuity of care, and recovery outcomes across Hawai‘i.

Mahalo for your consideration.

Respectfully submitted,

Jay Serle, PhD, LMFT

SB-2425

Submitted on: 2/4/2026 10:14:23 AM
Testimony for HHS on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Gil Keith-Agaran	Individual	Support	Written Testimony Only

Comments:

Honorable Joy A. San Buenaventura, Chair

Honorable Angus L.K. McKelvey, Vice-Chair

Committee on Health and Human Services

Honorable Jarrett Keohokalole, Chair

Honorable Carol Fukunaga, Vice-Chair

Committee on Commerce and Consumer Protection

To the Chairs, Vice-Chairs and members of the joint committee:

I support this measure which will check the practice of some carriers in sending reimbursement checks directly to people in early recovery. Instead, this bill will have those payments go to treatment providers as requested by the insured. This change will protect people in recovery and foster a reduction in relapse risk. This helps insure that access to treatment in Hawaii remains viable, allowing Kama‘āina to remain in the islands with their ‘ohana.

Mahalo for your consideration,

Gilbert S.C. Keith-Agaran

Kahului, Maui, Hawaii

SB-2425

Submitted on: 2/4/2026 11:39:01 AM
Testimony for HHS on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
April E Moran	Individual	Support	Written Testimony Only

Comments:

I have almost 10 years clean and when I got out of treatment I needed to go to php got 6 months. I was not able to work. I needed this time to focus on my recovery. If I would have received a large bill from my insurance company from my treatment I may have relapsed. Luckily I was able to make amends for any debt I had years later. I have been the director of several substance used facilities and have helped hundreds of Hawaiis residents as a therapist and fully support the recovery community. I would not be able to help others today without the grace I was gifted in early recovery.

SB-2425

Submitted on: 2/4/2026 1:35:14 PM
Testimony for HHS on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Scott Schroeder	Individual	Support	Written Testimony Only

Comments:

CEO and owner of both Hawaii Island Recovery and Exclusive Hawaii Rehab on the big island.

Hugely in favor of this passing to prevent recovering alcoholics and addicts from returning home and receiving multi thousand dollar checks in the mail, rather than the treatment provider facility. Otherwise, the way it is now sets them up for failure, unless it can be paid directly to the facility for the services rendered.

SB-2425

Submitted on: 2/4/2026 3:56:35 PM
Testimony for HHS on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lee Jason Friend	Individual	Support	Written Testimony Only

Comments:

Dear Legislator,

As a resident of Hawaii and someone who has worked in substance use disorder recovery treatment for multiple years, I am writing to express my full support for this bill relating to health insurance and fair assignment of benefits.

In my experience, uninterrupted access to treatment is critical for people working toward recovery. Administrative and financial barriers can delay care, disrupt treatment, and put vulnerable individuals at risk. Requiring insurance carriers to honor a patient's written assignment of benefits will help ensure that providers are paid directly and promptly, allowing them to focus on delivering life-saving services rather than navigating unnecessary billing obstacles.

This legislation supports transparency, strengthens the treatment system, and protects patients from the harm that can occur when reimbursement processes fail them. It is a practical and compassionate step toward improving access to substance use disorder care across our state.

I respectfully urge you to support and pass this bill.

Sincerely,
Lee Jason Friend

TESTIMONY IN SUPPORT OF SB2425

Relating to Health Insurance

HLT Public Hearing February 6, 2026

Aloha Chair and Members of the Committees,

My name is Ken Seeley. I am a constituent from Honolulu, HI, a featured interventionist on the show "Intervention", the owner of a substance use disorder treatment program, and I am also in recovery myself. I am writing in strong support of HB2209.

HB2209 tackles a problem that insured individuals in need of treatment face – the unethical insurance practice that is restricting access to treatment across our state: insurers have refused to accept a client's assignments of benefits and instead sending large reimbursement checks directly to patients after treatment, rather than paying the provider.

We believe this is not only dangerous but makes accessing treatment so much harder for individuals who are reliant on insurance to access services.

First, it puts people in early recovery at risk. Early recovery is a medically and psychologically vulnerable period. Sending a large lump sum directly to someone who is newly sober is dangerous and can increase relapse risk. Every treatment provider I know, including myself, have seen clients who leave and even complete treatment go home, get this sum of money and relapse as a result of receiving the funds. And when unlimited funds mix with relapse the results are often fatal. Patients should never be placed in the middle of insurer payment practices in a way that increases relapse risk.

Second, it makes it significantly more difficult for insured to access treatment re in Hawai'i. When insurers refuse to pay providers directly, many treatment programs are forced to require large upfront payments from patients to avoid nonpayment instead of accepting the clients in treatment. That creates a substantial financial barrier for families seeking help. It also contributes to the shrinking availability of in-state options. In practice, many Hawai'i residents are forced to seek treatment on the mainland because local providers cannot sustainably operate while being denied direct payment. Being separated from family and support networks can hinder long-term recovery and increases emotional and financial strain for Hawai'i families.

HB2209 is a consumer protection and access-to-care bill. It simply requires insurers to honor a patient's valid written assignment of benefits so providers can be paid directly for covered services. This restores accountability to insurers and removes patients from an unsafe and unfair role as the payment intermediary.

At least twenty-nine states have enacted laws or issued regulations that require insurers to accept assignments of benefits or make direct payments to nonparticipating providers, reflecting that this issue is widely recognized as a barrier to care. (AL, AK, AR, CA, CO, CT, DE, FL, GA, ID, IL, IN, KY, LA, ME, MD, MA, MS, MO, NV, NH, NJ, OH, RI, SD, TN, TX, VA, and WY). Hawai'i should adopt a similar standard to protect patients in early recovery and improve access to treatment.

I respectfully urge you to pass HB2209. This change will save lives, strengthen in-state access to treatment, and keep more Hawai'i residents at home with their 'ohana during a critical time in recovery.

Mahalo for the your consideration.

Respectfully,

Ken Seeley

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