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# A BILL FOR AN ACT

RELATING TO PRIMARY CARE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that a strong primary  
2       care system is the foundation of affordable, high-quality health  
3       care. Better access to, and utilization of, primary care  
4       improves chronic disease management, increases life  
5       expectancies, reduces avoidable healthcare visits, and lowers  
6       health care costs. However, the legislature recognizes that  
7       Hawaii currently faces an acute primary care access crisis.  
8       According to the university of Hawaii's most recent workforce  
9       assessment, the State has a shortage of approximately seven  
10      hundred sixty-eight full-time equivalent providers, with the  
11      single largest shortage being in primary care. According to the  
12      assessment, approximately one hundred fifty-two additional  
13      primary care providers are needed statewide.

14      The legislature also recognizes that while the costs of  
15      operating a business in Hawaii, including rent, staffing,  
16      overhead, and insurance, have increased significantly, primary  
17      care reimbursements have remained stagnant. As a result,



1 providers are leaving insurance networks, retiring early, or  
2 closing their practices due to unsustainable financial  
3 pressures.

4 The legislature believes that abusive insurance practices,  
5 such as blanket utilization reviews, downcoding, and restrictive  
6 prior authorization, undermine the sustainability of primary  
7 care practices and restrict patients' access to timely and  
8 necessary care.

9 Accordingly, the purpose of this Act is to establish a  
10 primary care provider working group to address issues relating  
11 to, and develop recommendations for, the stabilization of  
12 primary care health services in Hawaii, including:

- 13 (1) Reimbursements to primary care providers;  
14 (2) Health insurance practices relating to downcoding and  
15 claim modifications;  
16 (3) Health carrier reporting requirements; and  
17 (4) Rural access to primary care health services.

18 SECTION 2. (a) There is established within the state  
19 health planning and development agency a primary care provider  
20 working group to address issues relating to, and develop



1 recommendations for, the stabilization of primary care health  
2 services in Hawaii. The working group shall consider:

- 3 (1) Setting minimum percentage expenditures on primary  
4 care reimbursements by health carriers;
- 5 (2) The prevalence and use of downcoding and inappropriate  
6 modifications to submitted claims;
- 7 (3) New reporting requirements for health carriers;
- 8 (4) Enforcement mechanisms;
- 9 (5) Whether a primary care stabilization special fund  
10 should be created to stabilize and expand access to  
11 primary care services;
- 12 (6) The needs of residents and health care providers in  
13 the State's rural areas; and
- 14 (7) Any necessary federal approvals needed to align the  
15 State's medicaid managed care plans with any  
16 recommended actions proposed by the working group.
- 17 (b) The task force shall consist of the following members:
  - 18 (1) The administrator of the state health planning and  
19 development agency, who shall serve as chairperson of  
20 the task force;
  - 21 (2) The director of health, or the director's designee;



1 (3) The insurance commissioner, or the insurance  
2 commissioner's designee; and

3 (4) The administrator of the med-QUEST division of the  
4 department of human services, or the administrator's  
5 designee.

6 (c) The administrator of the state health planning and  
7 development agency shall invite the following to be members of  
8 the working group:

9 (1) Five members representing the insurance industry, to  
10 be selected by the Hawaii Association of Health Plans;

11 (2) Five members representing licensed health care  
12 professionals, two of whom shall be selected by the  
13 Hawaii Medical Association, two of whom shall be  
14 selected by the Healthcare Association of Hawaii, and  
15 one of whom shall be selected by the university of  
16 Hawaii at Manoa John A. Burns school of medicine;

17 (3) Five members representing consumers of health care or  
18 employers, two of whom shall be selected by the board  
19 of trustees of the Hawaii employer-union health  
20 benefits trust fund, one of whom shall be a consumer  
21 selected by the statewide health coordinating council,



1           one of whom shall be selected by the Hawaii Primary  
2           Care Association, and one of whom shall be selected by  
3           Papa Ola Lokahi; and

4           (4) Any others as recommended by the working group.

5           (d) Members of the working group shall serve without  
6           compensation but shall be reimbursed for expenses, including  
7           travel expenses, necessary for the performance of their duties.

8           (e) The working group shall submit a report of its  
9           findings and recommendations, including any proposed  
10          legislation, to the legislature no later than twenty days prior  
11          to the convening of the regular session of 2027.

12          (f) The working group shall cease to exist on June 30,  
13          2027.

14          SECTION 3. This Act shall take effect on July 1, 3000.



**Report Title:**

SHPDA; Primary Care Providers Working Group; Primary Care Services; Stabilization; Report

**Description:**

Establishes the Primary Care Providers 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. Requires the Working Group to make a report to the Legislature. Sunsets the Working Group on 6/30/2027. Effective 7/1/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

