

JAN 21 2026

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## A BILL FOR AN ACT

RELATING TO HOSPITAL PRICE TRANSPARENCY.

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

1 SECTION 1. The legislature finds that Hawaii's residents  
2 struggle with increased health care costs each year. Many  
3 residents also have limited knowledge of health care pricing,  
4 particularly regarding hospital care. The legislature believes  
5 that patients in the State should be empowered to compare  
6 hospital costs to find the best value for care and services.  
7 Increased price transparency would help decrease prices by  
8 better informing consumers, and thus increasing competition in  
9 the market.

10 The legislature also finds that federal requirements  
11 currently regulate hospital price transparency. The federal  
12 Public Health Service Act requires each hospital operating in  
13 the United States to make all standard charges publicly  
14 available, including gross charges, discounted cash prices, and  
15 charges negotiated with third-party payors. In 2021, the  
16 Centers for Medicare and Medicaid Services promulgated



1 regulations requiring hospitals to make these standard charges  
2 publicly available in two ways:

3 (1) A single comprehensive machine-readable file including  
4 all standard charges established by the hospital for  
5 all the items and services it provides; and  
6 (2) A consumer-friendly display of certain standard  
7 charges identified by the Centers for Medicare and  
8 Medicaid Services.

9 The legislature further finds that, according to a 2024  
10 analysis by the nonprofit PatientRightsAdvocate.org, no major  
11 hospital system in the State is fully compliant with federal  
12 price transparency requirements. The legislature believes that  
13 codifying federal requirements in state law will enable the  
14 State to better monitor and enforce compliance with the  
15 requirements thereby protecting patient consumer rights.

16 Accordingly, the purpose of this Act is to:

17 (1) Require each hospital in the State to comply with  
18 federal price transparency requirements;  
19 (2) Require the department of health to monitor and  
20 enforce compliance with federal price transparency  
21 requirements;



12 SECTION 2. Chapter 321, Hawaii Revised Statutes, is  
13 amended by adding a new part to be appropriately designated and  
14 to read as follows:

## "PART . . . HOSPITAL PRICE TRANSPARENCY

16        **§321-A Short title.** This part shall be known and may be  
17        cited as the "Hospital Price Transparency Act".

18        **S321-B Definitions.** For the purposes of this part unless  
19        the context otherwise requires:



1        "Chargemaster" means the list of all hospital items or  
2    services maintained by a hospital for which the hospital has  
3    established charges.

4        "Collection action" means any of the following actions  
5    taken with respect to a debt for an item or service that was  
6    purchased by or provided to a patient by a hospital on a date  
7    during which the hospital was in violation of this part:

8            (1) Attempting to collect a debt from a patient or patient  
9            guarantor by referring the debt, directly or  
10            indirectly, to a debt collector, collection agency, or  
11            other third party retained by or on behalf of the  
12            hospital;

13            (2) Suing the patient or patient guarantor or enforcing an  
14            arbitration or mediation clause in a hospital  
15            document, including any contract, agreement,  
16            statement, or bill; or

17            (3) Directly or indirectly causing a report to be made to  
18            a consumer reporting agency.

19        "Collection agency" means a person that:

20            (1) Engages in a business for the principal purpose of  
21            collecting debts; or



1 (2) Performs any of the following:

2 (A) Regularly collects or attempts to collect,  
3 directly or indirectly, debts owed or due, or  
4 asserted to be owed or due, to another;

5 (B) Accepts the assignment of debts for collection  
6 purposes; or

7 (C) Directly or indirectly solicits for the  
8 collection of debts owed or due, or asserted to  
9 be owed or due, to another.

10 "Consumer reporting agency" means a person that, for a  
11 monetary fee or dues on a cooperative nonprofit basis, regularly  
12 engages in the practice of assembling or evaluating consumer  
13 credit information or other consumer information for the purpose  
14 of furnishing consumer reports to third parties. "Consumer  
15 reporting agency" does not include business entities that only  
16 provide check verification or check guarantee services.

17 "Debt" means the obligation or alleged obligation of a  
18 consumer to pay money arising out of a transaction, regardless  
19 of whether the obligation has been reduced to a judgment.

20 "Debt" does not include a debt for business, investment,



1 commercial, or agricultural purposes or a debt incurred by a  
2 business.

3 "Debt collector" means a person employed or engaged by a  
4 collection agency to perform the collection of debts owed or due  
5 or debts asserted to be owed or due to another.

6 "De-identified maximum negotiated charge" means the highest  
7 charge that a hospital has negotiated with all third-party  
8 payors for a hospital item or service.

9 "De-identified minimum negotiated charge" means the lowest  
10 charge that a hospital has negotiated with all third-party  
11 payors for a hospital item or service.

12 "Department" means the department of health.

13 "Discounted cash price" means the charge that applies to a  
14 person who pays cash or a cash equivalent for a hospital item or  
15 service.

16 "Gross charge" means the charge for a hospital item or  
17 service as reflected on the hospital's chargemaster, excluding  
18 any discount.

19 "Hospital" means a public hospital, for-profit or nonprofit  
20 private hospital, or general or special hospital that is



1 licensed as a hospital by the department pursuant to  
2 section 321-14.5.

3 "Item or service" means an item or service that a hospital  
4 could provide to a patient in connection with an inpatient  
5 admission or an outpatient visit for which the hospital has  
6 established a standard charge, including:

- 7 (1) A supply or procedure;
- 8 (2) Room and board;
- 9 (3) A facility fee; or
- 10 (4) A professional fee.

11 "Machine-readable format" means a digital representation of  
12 information in a file that can be easily imported or read into a  
13 computer system for further processing without any additional  
14 preparation.

15 "Patient guarantor" means a person or entity legally  
16 responsible for paying a patient's medical bills, including the  
17 patient, a parent, legal guardian, or spouse.

18 "Payor-specific negotiated charge" means the charge that a  
19 hospital has negotiated with a third-party payor for a hospital  
20 item or service.



1        "Professional fee" means a fee charged by a health care  
2 practitioner for medical services.

3        "Shoppable service" means a service that may be scheduled  
4 in advance by a person.

5        "Standard charge" means the regular rate established by a  
6 hospital for a hospital item or service provided to a specific  
7 group of paying patients. "Standard charge" includes the:

- 8            (1) Gross charge;
- 9            (2) Payor-specific negotiated charge;
- 10           (3) De-identified maximum negotiated charge;
- 11           (4) De-identified minimum negotiated charge; and
- 12           (5) Discounted cash price.

13        "Third party payor" means an entity other than the patient  
14 that reimburses for and manages health care expenses incurred by  
15 a contracted beneficiary, including an insurance company, a  
16 governmental payer, or a self-insured employer plan.

17        **§321-C Public availability of price information; required.**

18        (a) Each hospital in the State shall comply with federal  
19 hospital price transparency requirements as provided in title 45  
20 Code of Federal Regulations part 180, and authorized by the  
21 Public Health Service Act title 42 United States Code Section



1 300gg-18 et seq. Compliance shall include publishing the  
2 following information on the hospital's publicly accessible  
3 website:

4 (1) A digital file in a machine-readable format that  
5 contains standard charges for all hospital items or  
6 services displayed in dollar amounts; and  
7 (2) A consumer-friendly list that a reasonable person  
8 could easily understand, containing information for no  
9 fewer than three hundred shoppable services offered  
10 and provided by that specific hospital location, with  
11 charges clearly displayed in dollar amounts.

12 (b) In lieu of maintaining and making publicly available  
13 the list of shoppable services required by subsection (a), a  
14 hospital may alternatively maintain an internet-based price  
15 estimator tool that is deemed by the Centers for Medicare and  
16 Medicaid Services to comply with federal hospital price  
17 transparency requirements.

18 (c) Except as otherwise provided in this part, the format  
19 and presentation of the required information shall follow  
20 federal hospital price transparency requirements and any



1 associated guidance from the Centers for Medicare and Medicaid  
2 Services.

3 **S321-D Enforcement.** (a) The department shall establish  
4 and make available on its website an electronic form for  
5 individuals to use to submit complaints of any alleged  
6 violations of the hospital price transparency requirements under  
7 this part.

8 (b) A hospital shall be in violation of this part if the  
9 hospital:

- 10 (1) Violates any provision of this part;
- 11 (2) Fails to take immediate action to remedy a violation  
12 of this part or rules adopted pursuant to this part;
- 13 (3) Fails to submit a plan of correction in accordance  
14 with this section;
- 15 (4) Fails to comply with a plan of correction;
- 16 (5) Charges a patient more for any item or service than  
17 the dollar amount published in the lists required by  
18 section 321-C; or
- 19 (6) Violates an order previously issued by the department  
20 in a disciplinary matter related to this part.



5 (2) Reviewing any third-party analysis prepared regarding  
6 noncompliance with this part;

7 (3) Auditing hospital websites for compliance with this  
8 part; and

9 (4) Taking any additional measures that the department  
10 deems reasonable and necessary in accordance with

**11** part.

13 compliance with any provision of this part, the department shall  
14 issue a written notice to the noncompliant hospital that:

15 (1) Clearly explains the manner in which the hospital is  
16 noncompliant with this part; and

**17** (2) Requires the hospital to either:

18 (A) Take immediate corrective action to remedy the  
19 violation; or

20 (B) Submit a plan of correction to the department  
21 within thirty calendar days if the hospital is



3 (e) Any hospital required to take immediate corrective  
4 action pursuant to subsection (d)(2)(A) shall provide the  
5 department with written confirmation that the necessary  
6 corrective action has been taken within thirty calendar days of  
7 the department's written notice.

8 (f) For any hospital required to submit a plan of  
9 correction pursuant to subsection (d) (2) (B), the department  
10 shall require that the violation be remedied within a specified  
11 period of time, as determined by the department. A hospital  
12 shall be deemed to have failed to comply with a plan of  
13 correction if the hospital fails to adequately address a  
14 violation within the time period specified by the department.

15 (g) The department shall publish and maintain a publicly  
16 available list on its website of any hospitals determined to be  
17 noncompliant with the hospital price transparency requirements  
18 under this part.

19       **§321-E Civil penalties.** (a) Any hospital that violates  
20   any of the requirements under this part shall be subject to the  
21   following civil penalties for each separate offense:



- 1                   (1) Not less than \$600 for a hospital having thirty or
- 2                   fewer beds;
- 3                   (2) Not less than \$20 per bed for a hospital having at
- 4                   least thirty-one beds, but fewer than five hundred
- 5                   fifty beds; and
- 6                   (3) Not less than \$11,000 for a hospital having more than
- 7                   five hundred fifty beds.

8    Each day of the violation shall constitute a separate offense.

- 9                   (b) In determining the amount of a civil penalty imposed
- 10                  pursuant to subsection (a), the department shall consider:
  - 11                 (1) Any previous violations by the hospital;
  - 12                 (2) The severity of the violation;
  - 13                 (3) Any demonstrated good-faith effort by the hospital to
  - 14                 comply with this part and any order issued by the
  - 15                 department; and
- 16                 (4) Any other factors as determined by the department in
- 17                 accordance with the purposes of this part.

18                 **§321-F Collection of debt; noncompliance.** (a) No

19                 hospital in violation of this part on the date that items or

20                 services are purchased by or provided to a patient by the

21                 hospital shall initiate or pursue a collection action against



1 the patient, patient guarantor, or applicable third-party payor  
2 for a debt owed for the items or services; provided that the  
3 violation is related to the patient's billed items or services.

4 (b) A collection action initiated by a hospital, or any  
5 agent, assignee, or successor-in-interest to the hospital's  
6 rights as a creditor in violation of subsection (a) shall  
7 constitute a complete affirmative defense to the collection  
8 action, and the patient or patient guarantor may file a  
9 declaratory judgment action based on the same.

10 (c) A patient subject to a lawsuit for the collection of  
11 medical debt in violation of this section may file a  
12 counterclaim to determine whether:

13 (1) The hospital was noncompliant with any provision of  
14 this part or related rules adopted by the department  
15 on the date that the items or services were provided  
16 or purchased; and

17 (2) The noncompliance was related to the items or  
18 services.

19 (d) A hospital found to be noncompliant with this part by  
20 a judge or jury in a counterclaim action pursuant to subsection  
21 (c), at a minimum shall:



1 (1) Refund the payor any amount of the debt paid by the  
2 payor;

3 (2) Cover any costs of the action incurred by the patient  
4 or patient guarantor, including reasonable attorney  
5 fees as determined appropriate by the court;

6 (3) Dismiss or cause to be dismissed with prejudice any  
7 court action; and

8 (4) Remove or cause to be removed from the patient or  
9 patient guarantor's credit report any report made to a  
10 consumer reporting agency relating to the debt.

11 (e) Nothing in this section shall be construed to:

12 (1) Prohibit a hospital in compliance with this part from  
13 billing a patient, patient guarantor, or third-party  
14 payor, including a health insurer, for an item or  
15 service provided to the patient; or

16 (2) Require a hospital to refund a payment made to the  
17 hospital for an item or service provided to the  
18 patient if no collection is taken in violation of this  
19 section.



1 collector acting on behalf of a hospital shall provide the  
2 patient with:

3 (1) An easy-to-understand itemized statement of the  
4 medical debt owed by the patient to the hospital,  
5 including the applicable billing codes for each item  
6 or service, using commonly recognized billing code  
7 sets;

8 (2) A copy of the detailed receipts of any payments made  
9 to the hospital or debt collector by the patient or  
10 the patient's guarantor within thirty calendar days of  
11 each payment;

12 (3) Information about the availability of  
13 language-assistance services for persons with limited  
14 English proficiency; and

15 (4) The contact information for a designated office or  
16 administrator at the hospital who can:

17 (A) Discuss the specific details of an itemized  
18 statement; and

19 (B) Make appropriate changes to the statement, if  
20 warranted.



**4           §321-H Rulemaking.** The department may adopt rules  
5 pursuant to chapter 91 as necessary to implement and administer  
6 this part."

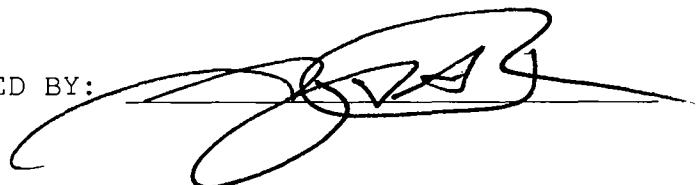
7 SECTION 3. This Act does not affect rights and duties that  
8 matured, penalties that were incurred, and proceedings that were  
9 begun before its effective date.

10 SECTION 4. In codifying the new sections added by  
11 section 2 of this Act, the revisor of statutes shall substitute  
12 appropriate section numbers for the letters used in designating  
13 the new sections in this Act.

**14** SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:



# S.B. NO. 2277

**Report Title:**

DOH; Health Care; Hospitals; Price Transparency; Consumer Protection; Enforcement; Federal Requirements; Civil Penalties

**Description:**

Requires each hospital in the State to comply with federal hospital price transparency requirements. Requires the Department of Health to monitor and enforce compliance. Establishes a process for patients to challenge debt collection actions filed by a noncompliant hospitals. Requires the Department of Health to publish a list of any enforcement actions taken against noncompliant hospitals. Requires hospitals to provide patients with an easy-to-understand itemized bill statement before initiating a debt collection action against a patient.

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

