THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.B. NO. 2277

JAN 2 1 2026

# A BILL FOR AN ACT

RELATING TO HOSPITAL PRICE TRANSPARENCY.

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

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

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

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

(1) A single comprehensive machine-readable file including all standard charges established by the hospital for all the items and services it provides; and

(2) A consumer-friendly display of certain standard charges identified by the Centers for Medicare and Medicaid Services.

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

Accordingly, the purpose of this Act is to:

(1) Require each hospital in the State to comply with federal price transparency requirements;

(2) Require the department of health to monitor and enforce compliance with federal price transparency requirements;

(3) Establish a process for patients to challenge a debt collection lawsuit filed by a hospital if the hospital was not in compliance with price disclosure and transparency requirements;

(4) Require the department of health to publish a list of any enforcement actions taken against non-compliant hospitals; and

(5) Require hospitals to provide easily accessible itemized bills to patients prior to any debt collection or legal actions being taken against the patient.

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

"**PART . HOSPITAL PRICE TRANSPARENCY**

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

**§321-B Definitions.** For the purposes of this part unless the context otherwise requires:

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

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

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

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

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

"Collection agency" means a person that:

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

(2) Performs any of the following:

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

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

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

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

"Debt" means the obligation or alleged obligation of a consumer to pay money arising out of a transaction, regardless of whether the obligation has been reduced to a judgment. "Debt" does not include a debt for business, investment,

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

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

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

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

"Department" means the department of health.

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

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

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

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

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

(1) A supply or procedure;

(2) Room and board;

(3) A facility fee; or

(4) A professional fee.

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

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

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

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

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

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

(1) Gross charge;

(2) Payor-specific negotiated charge;

(3) De-identified maximum negotiated charge;

(4) De-identified minimum negotiated charge; and

(5) Discounted cash price.

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

**§321-C Public availability of price information; required.** (a) Each hospital in the State shall comply with federal hospital price transparency requirements as provided in title 45 Code of Federal Regulations part 180, and authorized by the Public Health Service Act title 42 United States Code Section

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

(1) A digital file in a machine-readable format that contains standard charges for all hospital items or services displayed in dollar amounts; and

(2) A consumer-friendly list that a reasonable person could easily understand, containing information for no fewer than three hundred shoppable services offered and provided by that specific hospital location, with charges clearly displayed in dollar amounts.

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

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

associated guidance from the Centers for Medicare and Medicaid Services.

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

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

(1) Violates any provision of this part;

(2) Fails to take immediate action to remedy a violation of this part or rules adopted pursuant to this part;

(3) Fails to submit a plan of correction in accordance with this section;

(4) Fails to comply with a plan of correction;

(5) Charges a patient more for any item or service than the dollar amount published in the lists required by section 321-C; or

(6) Violates an order previously issued by the department in a disciplinary matter related to this part.

(c) The department shall regularly monitor the compliance of hospitals with the requirements of this part by:

(1) Evaluating any received complaints regarding noncompliance with this part;

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

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

(4) Taking any additional measures that the department deems reasonable and necessary in accordance with this part.

(d) If the department determines that a hospital is not in compliance with any provision of this part, the department shall issue a written notice to the noncompliant hospital that:

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

(2) Requires the hospital to either:

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

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

unable to reasonably take corrective action to remedy the violation.

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

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

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

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

(1) Not less than $600 for a hospital having thirty or fewer beds;

(2) Not less than $20 per bed for a hospital having at least thirty-one beds, but fewer than five hundred fifty beds; and

(3) Not less than $11,000 for a hospital having more than five hundred fifty beds.

Each day of the violation shall constitute a separate offense.

(b) In determining the amount of a civil penalty imposed pursuant to subsection (a), the department shall consider:

(1) Any previous violations by the hospital;

(2) The severity of the violation;

(3) Any demonstrated good-faith effort by the hospital to comply with this part and any order issued by the department; and

(4) Any other factors as determined by the department in accordance with the purposes of this part.

**§321-F Collection of debt; noncompliance.** (a) No hospital in violation of this part on the date that items or services are purchased by or provided to a patient by the hospital shall initiate or pursue a collection action against

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

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

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

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

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

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

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

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

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

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

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

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

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

**§321-G Patient rights.** (a) Prior to initiating a collection action against a patient, a hospital or a debt

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

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

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

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

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

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

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

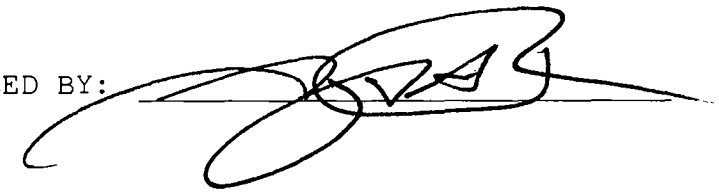
(b) Any willful or knowing violation of this section shall constitute an unfair or deceptive act or practice in violation of chapter 480.

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

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

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

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

INTRODUCED BY: 

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**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.*