

STAND. COM. REP. NO. **475**-26

Honolulu, Hawaii

, 2026

FEB 18

RE: H.B. No. 2501

H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committees on Health and Consumer Protection & Commerce,
to which was referred H.B. No. 2501 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH CARE,"

beg leave to report as follows:

The purpose of this measure is to balance the financial
burden of high-cost Medicare and uninsured patients among health
care institutions that receive state funds by:

- (1) Requiring hospitals and hospital systems to submit
annual certified reports detailing the costs of care for
certain Medicare and uninsured patients;
- (2) Requiring the Department of Health, Hawaii Health
Systems Corporation, and State Health Planning and
Development Agency to review the reports, establish
standards and procedures, and adopt rules;
- (3) Directing the Department of Health to consider the
reports when determining the Department's budget request
and to designate financial assistance requests in an
equitable manner; and



- (4) Requiring the Office of the Auditor to conduct periodic audits of the financial assistance distributed to hospitals and hospital systems.

Your Committees received comments on this measure from the Department of Health; Office of the Auditor; Hawaii Health Systems Corporation; Healthcare Association of Hawaii; and The Queen's Health Systems.

Your Committees find that the State's hospitals and hospital systems bear significant and often uneven financial burdens when providing care to high-need Medicare beneficiaries and uninsured patients, with health care institutions serving rural or medically underserved areas bearing a disproportionately large share of the uncompensated costs. Your Committees further find that a standardized, statewide system for quantifying and comparing these expenses will enable the State to better understand the budgetary needs and financial pressures faced by individual institutions. This measure is intended to strengthen the financial stability of the State's health care infrastructure and improve the State's ability to ensure equitable care for all residents by requiring the Department of Health to collect certain financial data from State hospitals and hospital systems for use in its budget determinations.

Your Committees have amended this measure by:

- (1) Requiring hospital and hospital systems to report on their net loss from caring for high-need Medicare beneficiaries and uninsured patients, rather than the total amount expended;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Consumer Protection & Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2501, as amended herein, and recommend that it pass Second Reading in the form attached hereto



as H.B. No. 2501, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Health and Consumer Protection & Commerce,


SCOT Z. MATAYOSHI, Chair


GREGG TAKAYAMA, Chair



