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**Testimony COMMENTING on SB2277 SD1
RELATING TO HOSPITAL PRICE TRANSPARENCY.**

SENATOR KARL RHOADS, CHAIR
SENATE COMMITTEE ON JUDICIARY

SENATOR DONOVAN M. DELA CRUZ, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: March 2, 2026

Room Number: 016

1 **Fiscal Impact:** An undetermined general fund appropriation amount and permanent FTE are
2 required to implement this measure.

3 **Department Testimony:** The Department of Health (DOH) regulates hospitals via a licensing
4 program for the primary purpose of patient health and safety. Licensing standards do not include
5 financial transactions of hospitals with payers, which may include health plans and consumers.
6 DOH may not be the appropriate agency to regulate private financial transactions and
7 commercial activity, including debt collection, between businesses and consumers. DOH does
8 not have the resources, capacity, or expertise to enforce federal price transparency laws or
9 collection of debt.

10 In lieu of DOH enforcement of commercial pricing activity between a hospital and a patient, the
11 department recommends amending chapter 323, Hawaii Revised Statutes (HRS), "Hospitals and
12 Medical Facilities," with the substance of SB2277 SD1, but **requiring hospitals to contract**
13 **with a third-party entity to intake complaints, determine compliance, represent patient**
14 **interests, and report aggregate data back to the hospital and potentially to the public.**

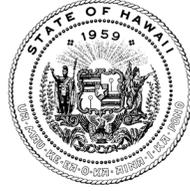
1 This alternative is similar to regulatory schemes in chapter 432E, HRS, “Patient’s Bill of Rights
2 and Responsibilities Act,” wherein patients have a right to an independent external review of
3 insurance determinations. Health insurance carriers are required to contract with External
4 Review Orgnaization by Hawaii law, and this model may be appropriate for hospital price
5 transparency. This precedent of HRS requiring private entities to afford certain rights to
6 consumers that include contracting with external entities will be more effective that oversight by
7 a public health agency.

8 However, should the Legislature move this measure with a draft requiring Executive Branch
9 oversight, DOH strongly recommends placing this responsibility with the **State Health Planning
10 and Development Agency (SHPDA)**, the functions of which are much more closely aligned
11 with the regulatory and reporting scheme described in SB2277 SD1. Pursuant to section 323D-
12 12, HRS, SHPDA has as its “principal function the responsibility for promoting accessibility for
13 all the people of the State to quality health care services at reasonable cost. **The state agency
14 shall conduct such studies and investigations as may be necessary as to the causes of health
15 care costs including inflation.**“

16 Futhermore, pursuant to section 323D-15, HRS, SHPDA is required to publish the State Health
17 Services and Facilities Plan that “**shall depict the most economical and efficient system of
18 care commensurate with adequate quality of care**, and shall include standards for utilization
19 of health care facilities and major medical equipment.” Splitting hospital price oversight
20 between two agencies will dilute the benefit and internal coordination.

21 Thank you for the opportunity to testify.

22



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Testimony of the Department of Commerce and Consumer Affairs

Office of Consumer Protection

Before the Senate Committees on Ways and Means

And

Judiciary

Wednesday, March 4, 2026

10:35 AM

Via Videoconference

Conference Room 211

WRITTEN TESTIMONY ONLY

On the following measure:

SB 2277, SD1, Relating to Hospital Price Transparency

Chairs Dela Cruz and Rhoads and Members of the Committees:

My name is Melissa Enright, and I am an Enforcement Attorney at the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department offers comments.

Medical expenses are one of the few things that consumers in the United States pay for without always being able to easily estimate the costs in advance. Unlike shopping for a car, consumers generally do not "shop around" when facing a medical procedure, in part because the costs are not made readily available to the general public. By making the cost of a hospital item or service publicly available, consumers will benefit

by being able to shop and compare prices across hospitals and estimate the cost of care ahead of time.

OCP appreciates the amendments to this bill that were made by the previous joint committee. In particular, the removal of the requirement that violations of this section be “willful and knowing” before a civil action can be pursued under will allow for more effective civil enforcement. See Page 17, lines 1-2. In addition, the insertion of a savings provision preserving other remedies under existing laws assures that conduct that violates the new part created in HRS chapter 321 can also be the basis for other violations of law. See Page 17, lines 3-5.

New HRS subsection 321-F(a) prohibits a hospital from initiating a collection action if the hospital is in violation of any section of the new Part in HRS chapter 321. See Page 13, line 18, to Page 4, line 3. However, the bill does not prohibit the agent of a hospital, such as a debt collector, from initiating an action on behalf of the hospital to collect a debt even if the hospital is in violation of the new Part in HRS chapter 321. Instead, proof of the violation creates an affirmative defense to an action filed by a hospital, or its agent, assignee, or successor in interest.

Existing law governing debt collectors (HRS chapter 443B) and collection practices (HRS chapter 480D) are not referenced in this bill. Those chapters prohibit various conduct by debt collectors and entities collecting on their own debts and violations are deemed unfair or deceptive acts or practices in trade or commerce in violation of HRS section 480-2. The term “debt collector” is defined at HRS section 480D-2, but the existing definition is not referenced in this bill. The term “collection agency” is defined at HRS section 443B-1, but the existing definition is not referenced in this bill. The term “consumer reporting agency” is defined at HRS section 489P-2, but the existing definition is not referenced in this bill.

While we appreciate the intent of this bill, we have not had an opportunity to thoroughly compare the proposed definitions with the existing definitions, nor have we reached any conclusions about the impact of creating new definitions for terms that already have a legal definition.

Thank you for the opportunity to testify on this bill.

Dear Committee members:

My name is Steve Fenberg and I recently termed out as the Colorado Senate President. I now have a small consulting firm where I work on public-interest policy issues around the country, including advocating for health care affordability, which is something that impacts every community in every state across our country.

One of the ways to increase affordability in health care is to create a more functioning market, where patients, employers, and unions can advocate for themselves in a manner that creates more competition—something that is present in virtually every other sector of our economy except health care. However, competition cannot work without consumers having access to accurate prices for the service in question. This is where SB2277 comes into play.

As it came out of the Health Committee, SB2277 does the following:

- Affirms that hospitals in Hawaii must follow the federal price transparency requirements;
- Allows the Department of Health to monitor and enforce compliance with those federal requirements; and
- Gives consumers a reasonable recourse if they've been sent to collections or sued by the hospital and the hospital was not in compliance as it relates to the charge in question

In response to concerns from the hospitals as well as an acknowledgement of challenging state budget constraints, I would suggest the following good faith amendments to SB2277:

1. Strike sections 321-D and 321-E to remove monitoring and enforcement requirements from the Department of Health. This should eliminate any fiscal impact to the State and also remove the authority for the Department to issue fines or penalties to non-compliant hospitals; and
2. Strike section 321-G subsection (b) and all of 321-H, which removes the language that violations by a hospital are subject to penalties in Chapter 480, the unfair practices act.

If amended in this manner, the fiscal impact to the state will be removed, the primary concerns from the hospital association should be addressed, and the bill will still provide meaningful consumer protection for patients who are facing a collection action for a surprise hospital bill. The remaining elements of the bill will largely be reduced to:

- If a hospital sues a patient for payment or sends them to collections, they must provide the patient an itemized bill so the patient knows what they're being sued for; and
- If a hospital sues a patient for payment or sends them to collections, and the patient has reason to believe that the hospital was not in compliance with price transparency, the patient can ask a judge to determine if the hospital was in material compliance. This is a very limited scenario, but still provides some consumer protection.

I hope these amendments illustrate that the goal of this bill is fairness and compliance, not opportunities for litigation or levying damages. I continue to be available to the committee or any stakeholders who are interested in discussing these proposed amendments or other concerns with SB2277.

Thank you for your time and consideration,



Steve Fenberg

Former President of the Colorado Senate
Policy Advisor, Silver Plume Strategies

SB-2277-SD-1

Submitted on: 3/3/2026 8:19:52 AM

Testimony for JDC on 3/4/2026 10:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Ilaria Santangelo	Testifying for Patient Rights Advocate	Support	Written Testimony Only

Comments:

Aloha Chair and Members of the Committee,

Thank you for the opportunity to submit testimony in strong support of SB2277.

My name is Ilaria Santangelo, and I am the Director of Research at PatientRightsAdvocate.org, a non-profit, non-partisan organization focused on protecting patients and advocating for real prices, real choices, and a functional marketplace in healthcare. We strongly believe that the single most important way to achieve this is through systemwide healthcare price transparency.

SB2277 is simple, fair, and long overdue. It ensures that hospitals in Hawai'i comply with existing federal hospital price transparency requirements, while providing patients with basic protections and recourse when hospitals fail to post their prices.

Since 2021, hospitals have been required under federal law to publicly post the prices for the items and services they provide, including payer-specific negotiated rates and discounted cash prices. These are not new requirements. Hospitals are already legally obligated to comply, so this law does not impose additional regulatory burdens.

Yet compliance remains uneven. In a hospital price transparency compliance review in Hawai'i in 2024, [zero](#) of the hospitals reviewed were found to be fully compliant with the federal rule and many of them posted incalculable algorithms instead of prices, making the information useless for patients. Although some hospitals have improved their files since this report, hospitals publish new files annually and without adequate enforcement it seems the level of compliance is ever-changing.

This is precisely why state-level enforcement is necessary. If hospitals are complying, then no problem, this will not be an issue. They will not be affected by additional state regulations. However, if a hospital fails to post their prices for services rendered, then all patients will have remedy and recourse when a surprise, egregious, or potentially fraudulent bill comes in the mail. Something that is currently not accessible or easy.

Patients are not getting the care they need because they do not know the price upfront. We live in a time where over [100 million](#) Americans are carrying medical debt, and medical

debt remains the leading cause of bankruptcy in our country. More than [one-third](#) of Americans delay or forgo care altogether because they are afraid of unknown costs.

At the same time, the United States [spends more](#) on healthcare than any other developed nation, yet we have worse health outcomes. This is not because people do not want care - it is because they cannot afford financial uncertainty.

More importantly, [almost half](#) of the country does not have \$400 to cover any emergency expense – let alone a surprise hospital bill they never received an upfront price.

Currently, [96%](#) of Americans agree that healthcare consumers deserve to know the real price of healthcare upfront – not estimates, actual prices – something this bill enforces.

Healthcare is one of the only sectors of our economy where people are routinely expected to purchase services without knowing the cost in advance. We do not tolerate this anywhere else - and we must stop tolerating it in healthcare.

When prices are hidden patients cannot compare options, families cannot budget responsibly, competition suffers, and surprise medical bills become unavoidable leaving patients in debt. Without real transparency on the front end, none of the basic market protections that consumers rely on can function.

One of the most important provisions in SB2277 is its protection for patients facing debt collection. This bill gives the federal law real meaning in Hawai'i and gives all patients a chance to dispute medical bills. Linking transparency to debt collection is fair. The principle is straightforward – if a hospital does not disclose prices as required by law, it should not be able to collect medical debt based on those undisclosed prices. This provision applies only if the hospital initiates a lawsuit or debt collection, serves as an affirmative defense for patients, and does not prevent compliant hospitals from collecting legitimate bills.

A patient should not be sent to collections for a bill they had no reasonable way of knowing in advance. That is not anti-hospital, it is pro-consumer and pro-accountability.

Price transparency works when it is real. Hospitals often claim compliance is difficult. It is not. Many hospitals across the country already comply fully with the federal rule. The cost of compliance is modest, and the benefit to patients is enormous.

Estimates are not a substitute for real prices. Estimates provide no accountability, and often end up thousands or tens of thousands of dollars more than quoted. To obtain an estimate from a hospital, patients are often required to acknowledge that the final bill may be higher. We would not accept this in any other industry - and we should not accept it here. Only real, posted prices allow patients to compare care, avoid surprise bills, dispute overcharges, and make informed healthcare decisions.

Our healthcare system is broken - but Hawai'i has the opportunity to improve transparency and to empower patients. SB2277 is a reasonable, consumer-focused bill that strengthens transparency, restores trust, and protects families from avoidable medical debt. Patients in Hawai'i deserve to know what healthcare will cost before they receive care, not after a bill or collection notice arrives.

For these reasons, we strongly support SB2277 and respectfully urge the Committee to pass this bill. Mahalo for your consideration.



March 4, 2026 at 10:35 am
Conference Room 211

Senate Committee on Judiciary

To: Chair Karl Rhoads
Vice Chair Mike Gabbard

Senate Committee on Ways and Means

To: Chair Donovan M. Dela Cruz
Vice Chair Sharon Y. Moriwaki

From: Paige Heckathorn Choy
Vice President, Government Affairs
Healthcare Association of Hawaii

Re: Testimony in Opposition
SB 2277 SD 1, Relating to Hospital Price Transparency

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the healthcare continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 30,000 people statewide.

Thank you for the opportunity to provide testimony in **opposition** to this measure. We appreciate the legislature's commitment to improving transparency in healthcare pricing and agree that patients should have access to information that will help them make informed decisions. However, this measure creates duplicative requirements for hospitals that will provide no meaningful additional information for consumers while imposing harsh penalties for non-compliance that go far and above what the federal government allows

Hospitals are already subject to extensive federal hospital price transparency requirements and have worked diligently to comply with. The federal rules require hospitals to publish a comprehensive machine-readable file of all standard charges and provide a consumer-friendly display of at least 300 shoppable services or a compliant price estimator tool. The Centers for Medicare and Medicaid Services (CMS) has clear authority to investigate complaints, audit hospitals, require corrective action plans, and impose substantial federal civil monetary penalties for noncompliance. Compliance with these federal rules requires significant and

ongoing investments in legal review, information technology systems, data validation, and continuous monitoring.

This measure would effectively duplicate those federal requirements and create a parallel enforcement structure at the state level. While the intent may be to strengthen oversight, layering additional state mandates on top of existing federal rules introduces the risk of conflicting interpretations and inconsistent compliance standards. Hospitals could find themselves navigating two separate regulatory regimes governing the same data sets, which are already highly technical and complex. It could also mean that, in trying to comply with one set of standards, the hospital could fall out of compliance with another, creating an untenable situation for resource-strapped organizations.

We are also mindful that the federal regulatory landscape is evolving. The current administration has recently sought stakeholder feedback on potential updates to price transparency standards, and additional rulemaking may follow. Enacting a state-level framework at this moment could result in overlapping or inconsistent requirements that would require further revisions and legislation.

Beyond the duplicative and burdensome requirements in this bill, we are particularly concerned about the measure's expanded enforcement and liability provisions. The measure authorizes significant civil penalties at the state level, in addition to penalties already available to CMS. Because hospital pricing files are large, dynamic, and dependent on frequently changing payer contracts and billing codes, even minor technical discrepancies could trigger financial exposure. For hospitals that are already operating on very narrow margins, especially rural and safety-net facilities, this additional layer of financial risk is meaningful.

In addition, the measure significantly increases litigation exposure by deeming certain violations to be unfair or deceptive acts or practices under state law. This would open the door to private lawsuits, including potential treble damages and attorneys' fees, based on compliance issues that are already regulated at the federal level. This seems like an outsized penalty, especially as hospitals in Hawaii strive to comply with what is ultimately a complicated reporting practice. For example, if the terms of a contract with an insurer changes and the hospital does not update its pricing documents immediately, that could open the facility up to major liability even though nothing untoward or deceptive was done by the hospital.

Hospitals in Hawaii continue to invest in substantial resources to meet stringent federal standards. However, hospital pricing data is extraordinarily complex and constantly evolving. Absolute perfection at all times is difficult to guarantee, particularly as payer contracts, coding structures, and regulatory guidance shift. Creating overlapping enforcement systems with significant penalties and private litigation triggers may ultimately increase administrative costs without materially improving consumer understanding.

For these reasons, we respectfully oppose this measure and ask that it be deferred for further consideration.



**STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**
DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

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JOHN C. (JACK) LEWIN, MD
ADMINISTRATOR

March 3, 2026

TO: SENATE COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

SENATE COMMITTEE ON JUDICIARY
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair
Honorable Members

FROM: John C. (Jack) Lewin, MD, Administrator, SHPDA, and Sr. Advisor to
Governor Josh Green, MD on Healthcare Innovation

RE: SB 2277-SD1 -- RELATING TO HOSPITAL PRICE TRANSPARENCY

HEARING: Wednesday, March 4, 2026 @ 10:35 am; Conference Room 211

POSITION: SUPPORT with COMMENTS

Testimony:

SHPDA strongly supports SB 2277-SD1, with comments.

SHPDA supports SB 2277-SD1 because price transparency affects whether families can anticipate costs, compare options, and avoid preventable medical debt. This is especially important for neighbor island residents who often have fewer choices, for Native Hawaiian and Pacific Islander communities disproportionately burdened by chronic disease and cost barriers, and for low-income patients who are most exposed to aggressive collections when information is unclear or withheld. DOH is assigned oversight responsibility.

Our central implementation concern is whether DOH will have the practical capacity, staffing, enforcement, and legal support to monitor compliance and take timely action. If enforcement is under-resourced, the predictable result is selective compliance, continued opacity, and "business as usual" collections practices that shift risk onto patients rather than onto institutions that fail to meet disclosure requirements. For that reason, SHPDA defers to DOH on the operational details and costs required to effectively monitor, investigate, and enforce this measure statewide.

In a concentrated market, voluntary disclosure will not hold. If there is no monitoring and consequence, the incentive is to cherry-pick what looks good, bury

SB 2277-SD1: testimony of SHPDA (2026), continued.

what does not, and shift financial risk onto patients through confusion, delay, and debt collection.

The hospital price transparency aim of this bill aligns completely with the AHEAD Grant and the federal vision.

Therefore, we should consider how to achieve this in a way that does not overburden DOH.

For these reasons, SHPDA supports SB 2277-SD1 with comments and urges the Legislature to pair these consumer protections with enforceable, adequately resourced implementation led by DOH.

Thank you for hearing SB 2277-SD1.

Mahalo for the opportunity to testify.

■ -- Jack Lewin, MD, Administrator, SHPDA