



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
KA 'OIHANA PILI KĀLEPA
335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: 1-844-808-DCCA (3222)
Fax Number: (808) 586-2856
cca.hawaii.gov

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I. HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committees on Health and Human Services
and
Commerce and Consumer Protection
Friday, February 6, 2026
9:00 a.m.
State Capitol, Room 229 and via Videoconference

On the following measure:
S.B. 2282, RELATING TO INSURER PRIOR AUTHORIZATION

Chair San Buenaventura, Chair Keohokalole, and Members of the Committees:

My name is Scott K. Saiki, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill is to (1) establish the Prior Authorization Committee (PAC) to specify medical conditions for which prior authorization by the insurer for treatment is not required for health insurance coverage and (2) require health plan insurers to align their prior authorization processes for other conditions with Medicare policies.

The Department notes that the bill's requirements could create conflict with federal law. The measure authorizes the PAC to determine a list of conditions for which prior authorization is not required for coverage of treatment. However, the measure also requires insurers to "base decisions on nationally recognized evidence-based

medical guidelines and Medicare's standards of medical necessity". Thus, if the PAC exempted a certain procedure from prior authorization under state law, but Medicare's standards considered that procedure not medically necessary in the same circumstance, the insurer could be in violation of either state law or Medicare's standards of medical necessity. The Department also notes that Medicare standards are designed for a primarily elderly and disabled population which may not accurately reflect the needs of the broader population.

Additionally, the bill places numerous new duties on the Department. First, the Department would be responsible for housing and chairing the new Prior Authorization Committee tasked with creating and updating a list of medical conditions exempt from prior authorization. Additionally, the bill requires the Insurance Commissioner to conduct annual audits of every health insurers' prior authorization policies and to manage a new system for collecting and publicly reporting quarterly data on approval rates and response times. Furthermore, the bill requires the Department to handle direct appeals from patients and health care providers, with a mandate to issue a binding decision on these medical cases within a thirty-day window.

Carrying out these new duties would require an increase in staffing with specific expertise and resources. Among the new staff required would include medical professionals to review clinical appeals, auditors to manage the annual review of insurer policies, and data experts to oversee the transparency and reporting requirements.

Finally, the Department notes that section 431:10A-C, subsection (h) on page 6, line 18 – page 7, line 2 specifies penalties levied on insurers for violating the newly created section. The Department already possesses the authority to levy the penalties described in that section. Also, while the measure refers to an insurer's "licensure," the insurance code uses the term "certificate of authority" to describe an insurer's permission to conduct business in Hawaii. Licenses are typically issued to individuals, such as insurance agents or adjusters.

Thank you for the opportunity to testify.



February 6, 2026

The Honorable Joy A. San Buenaventura, Chair
The Honorable Angus L.K. McKelvey, Vice Chair
The Honorable Jarrett Keohokalole, Chair
The Honorable Carol Fukunaga, Vice Chair

Senate Committee on Health and Human Services and Committee on Commerce and Consumer Protection

Re: SB2282 – RELATING TO INSURER PRIOR AUTHORIZATION.

Dear Chair San Buenaventura, Vice Chair McKelvey, Chair Keohokalole, Vice Chair Fukunaga and Members of the Committees:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to provide comments on SB2282, which establishes a prior authorization committee to specify services which prior authorizations are not required for coverage of treatment. The bill also aims to align prior authorization process with Medicare timelines.

HMSA appreciates the Legislature for recognizing the importance of prior authorization (PA). It is one of many important tools that helps keep health care premiums affordable and supports the long-term sustainability of Hawai‘i’s health care system. As a health plan that partners with more than 7,500 health care providers across the state, HMSA understands both the value of prior authorization and the administrative burden the process can place on physicians and their staff.

For this reason, HMSA is actively participating in the State’s Prior Authorization Working Group, established under Act 151 in 2025. HMSA believes this collaborative, data-driven process - bringing together health plans, providers, and state agencies - is the appropriate forum to evaluate prior authorization practices and identify targeted, evidence-based improvements that balance patient access, administrative efficiency, and affordability.

Because the State’s Prior Authorization Working Group is still in the early stages of implementation, and the Legislature may not have had the opportunity to review its findings or recommendations, HMSA respectfully requests that this bill be deferred to allow the working group to complete its work and develop recommendations informed by Hawai‘i-specific data and stakeholder consensus. We would also note that we are in the process of modernizing our PA system to comply with federal regulations that take effect in January 2027.

Thank you for the opportunity to testify on this measure.

Sincerely,

Walden Au
Director of Government Relations



Hawaii Medical Association

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814
Phone: 808.536.7702 • Fax: 808.528.2376 • hawaiimedicalassociation.org

SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair
Senator Angus L.K. McKelvey, Vice Chair

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Date: February 6, 2026

From: Hawaii Medical Association (HMA)
Elizabeth Ann Ignacio MD - Chair, HMA Public Policy Committee
Christina Marzo MD and Robert Carlisle MD, Vice Chairs, HMA Public Policy Committee

RE SB 2282 RELATING TO INSURER PRIOR AUTHORIZATION. Health Insurance; Medical Insurance; Prior Authorization; Medicare.

Position: Comments

This measure would establish the Prior Authorization Committee to specify medical conditions for which prior authorization by the insurer for treatment is not required for health insurance coverage and require health plan insurers to align their prior authorization processes for other conditions with Medicare policies.

HMA supports the intent of Senate Bill 2282, to further align Hawaii's prior authorization requirements with nationally recognized standards such as those used by Medicare. Prior authorization as currently practiced has repeatedly been shown to delay medically necessary care, increase administrative burdens on practices, and contribute to clinician burnout—especially for physicians and care teams who are striving to spend more time with patients and less time on paperwork.

HMA also recognizes and strongly supports the critical groundwork already underway through Act 151 (2025), which was enacted last year (as HB250, now Act 151) to require utilization review entities to report prior authorization data to the State Health Planning and Development Agency (SHPDA) and to establish the Health Care Appropriateness and Necessity Working Group within SHPDA. The work group discussions have made progress in development of reporting formats to align with federal reporting categories (including Medicaid and Medicare), and implementation timelines consistent with Act 151.

HMA appreciates the Legislature's continued diligence in advancing thoughtful prior authorization reforms that reduce unnecessary delays and administrative burden. These efforts are essential to ensuring timely, appropriate care for Hawaii's patients.

2026 Hawaii Medical Association Public Policy Coordination Team

Elizabeth A Ignacio, MD, Chair • Robert Carlisle, MD, Vice Chair • Christina Marzo, MD, Vice Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

2026 Hawaii Medical Association Officers

Nadine Tenn-Salle, MD, President • Jerald Garcia, MD, President Elect • Elizabeth Ann Ignacio, MD, • Immediate Past President
Laeton Pang, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

Thank you for allowing Hawaii Medical Association to provide comments on this measure.

REFERENCES

State of Hawaii, Department of Health, State Health Planning and Development Agency. *Prior Authorization Working Group Draft Meeting Minutes – November 14, 2025*. 14 Nov. 2025, Honolulu, HI. Hawaii State Department of Health, <https://health.hawaii.gov/shpda/files/2025/11/Prior-Authorization-Working-Group-Draft-Meeting-Minutes-November-14-2025.pdf>

Centers for Medicare & Medicaid Services (CMS), Department of Health and Human Services (HHS). CMS Interoperability and Prior Authorization Final Rule (CMS-0057-F) <https://www.cms.gov/files/document/cms-0057-f.pdf>

American Medical Association. Issue Brief: Federal Changes to Prior Authorization Rules and their Impact on State Legislative Efforts. https://cdn.ymaws.com/hawaiimedicalassociation.org/resource/resmgr/advocacy/prior_auth_issue_brief_on_fe.pdf

American Medical Association. 2023 AMA Prior Authorization (PA) Physician Survey. <https://www.ama-assn.org/system/files/prior-authorization-survey.pdf>

American Association of Family Physicians (AAFP). Prior Authorization. <https://www.aafp.org/family-physician/practice-and-career/administrative-simplification/prior-authorization.html>

2024 Hawaii Medical Association Officers

Elizabeth Ann Ignacio, MD, President • Nadine Tenn-Salle, MD, President Elect • Angela Pratt, MD, Immediate Past President
Jerris Hedges, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

2024 Hawaii Medical Association Public Policy Coordination Team

Beth England, MD, Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director



**PREMIER
MEDICAL
GROUP
HAWAII**

Scott Miscovich MD LLC
46-001 Kamehameha Hwy Ste 109
Kaneohe, HI 96744
Phone: (808) 247-7596 Fax: (808) 824-3416

February 3, 2026

**TESTIMONY IN OPPOSITION TO SB2282
Relating to Insurer Prior Authorization**

Chair, Vice Chair, and Members of the Committee:

Thank you for the opportunity to submit testimony in **strong opposition to SB2282**.

While the intent of SB2282 is presented as reducing administrative burdens and improving access to care, the structure and implications of this bill raise serious concerns for individuals with disabilities and others who rely on **individualized, medically necessary care**. This issue has been debated repeatedly at both the state and federal levels, and the prevailing legal and policy framework has consistently rejected approaches that impose **uniform medical standards** at the expense of patient-specific needs.

Hawaii has a long and deliberate history of advancing disability rights and accessibility. Beginning with **Act 3 of 1965**, which established minimum access standards for public facilities, Hawaii has recognized that equal access requires **intentional protections**, not administrative shortcuts. Subsequent milestones—including the implementation of the **Individuals with Disabilities Education Act (IDEA)** and related case law—reinforce the principle that services must be **reasonably calculated to meet the unique needs of the individual**, not determined by rigid or generalized criteria.

In **Board of Education v. Rowley (1990)**, the U.S. Supreme Court affirmed that compliance with federal disability law requires individualized decision-making. This principle remains central across disability, education, and health policy: **medical treatment is not one-size-fits-all**.

SB2282 undermines this principle by creating a centralized prior authorization committee empowered to establish lists of conditions and align insurer decision-making with Medicare standards

While Medicare guidelines may be appropriate for some populations, they are **not designed to capture the complexity, variability, and evolving needs** of many patients—particularly those with disabilities, chronic conditions, or rare disorders.

Further, delegating determinations of medical necessity to a committee and insurer-driven processes risks:

- Limiting provider discretion
- Delaying or denying individualized treatment
- Disproportionately harming people whose conditions do not conform to standardized pathways

This approach contradicts decades of legal precedent and policy development aimed at preventing exactly this type of systemic exclusion.

Importantly, similar proposals have been **previously debated and ruled against** because they fail to adequately protect patient autonomy, provider judgment, and disability rights. Rather than expanding access, such frameworks often result in **reduced flexibility**, increased disputes, and poorer outcomes for those with complex medical needs.

Hawaii should continue to lead by **strengthening individualized care protections**, not weakening them through blanket administrative mechanisms that prioritize efficiency over equity.

For these reasons, I respectfully urge the Committee to **oppose SB2282**.

Thank you for your consideration and for your continued commitment to protecting the rights and health of Hawaii's most vulnerable communities.

Thank you for the opportunity to testify.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'SM', with a long horizontal flourish extending to the right.

Scott J. Miscovich, MD



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

JOSH GREEN, MD
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'ŌKELE

JOHN C. (JACK) LEWIN, MD
ADMINISTRATOR

LATE

February 5, 2026

TO: SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES
Senator Joy A. San Buenaventura, Chair
Senator Angus L.K. McKelvey, Vice Chair

SENATE COMMITTEE ON COMMERCE AND CONSUMER
PROTECTION
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, 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 2282 -- RELATING TO INSURER PRIOR AUTHORIZATION

HEARING: Friday, February 06, 2026 @ 9:00 am; Conference Room 229

POSITION: SUPPORT with COMMENTS

Testimony:

SHPDA supports SB 2282, with comments.

This bill is intended to streamline, reduce delays and align with best practices the prior authorization process to patient care, reduce administrative burdens and ensure timely access to medical services ultimately improving health outcomes.

SHPDA has convened a prior authorization workgroup per ACT 151, 2025. This workgroup has representatives from the consumer, practitioner and insurance communities and we are in the process of collecting data to get a sense of the impact of prior authorization. A report of the data submitted is due to the legislature March 1. The working group, per the Act, is prepared to continue meeting to review the prior authorization process. This group is making progress but are in the very early stages. This initial work could help guide the work of the proposed Prior Authorization Committee.

SB 2282: testimony of SHPDA (2026), continued.

We are very aware of the concerns related to prior authorization and its impact on health care quality and costs.

SHPDA supports efforts that would address these concerns and streamlines the process of getting appropriate care to patients in a timely and efficient manner.

Thank you for hearing SB 2282.

Mahalo for the opportunity to testify.

■ -- Jack Lewin, MD, Administrator, SHPDA

LATE

SB-2282

Submitted on: 2/5/2026 9:36:42 AM

Testimony for HHS on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Corinne Solomon	Individual	Comments	Written Testimony Only

Comments:

Aloha,

I appreciate your efforts to streamline the PA process. I recently had a family member experience a denial for a CT scan which caused us a lot of stress and financial impact.

Before providing thoughtful feedback on this bill, I would like to see data on the national standards for PA exemptions and where Hawaii ranks in comparison.

Where can the public access this data that is vital to the decision making process for this bill?

Mahalo