



Na Leo Ola

Newsletter of the Hawaii Medical Association

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Merry
Christmas

May the Spirit of the Season Bring Joy
to You and Your Loved Ones

Prepare for the New General Excise Tax Exemption

A major victory for HMA was the passage of SB1035. This measure exempts hospitals, infirmaries, medical clinics, health care facilities, pharmacies, and medical and dental providers from General Excise Tax (GET) on goods and services that are reimbursed through Medicare, Medicaid or TRICARE. It was unanimously passed by both the Hawaii House and Senate, and signed into law on June 3, 2024 by HMA member Governor Josh Green.

Now called Act 47, the tax exemption is set to go into effect on January 1, 2026. We want our members - and all healthcare professionals - to take full advantage of this new tax law.

HMA canvassed our membership and collected questions regarding Act 47, and working in conjunction with the **Hawaii / Pacific Basin Area Health Education Center (AHEC) and JABSOM** - those questions were posed to Garrison Kurth, from the Hawaii Department of Taxation. The conversation was recorded, and we encourage all members to view the recording on the HMA YouTube Channel at youtu.be/yfYI8rDQWHM. You can also find a link to the video on our website at hawaiiimedicalassociation.org.

President's Message

by Nadine Tenn Salle, MD



As we close 2025, I want to reflect on a year marked by candor, collaboration, and a renewed commitment to the physician voice in Hawai'i. At the Ola Pono Ike Gala, three goals were shared that continue to guide our work: strengthening physician leadership, protecting access and equity for our most vulnerable communities, and ensuring the long-term sustainability of healthcare across our islands. Over the course of this year, those goals have become not only more relevant—but more urgent.

This was evident during HMA's December 18 panel examining the proposed HMSA-HPH affiliation. The discussion brought together health system leaders with differing perspectives, yet a shared premise: Hawai'i's healthcare system is under significant strain and cannot continue under business as usual. Rising costs, workforce shortages, deferred care following COVID, administrative

... continued on page 3

Executive Director's Message

by Marc Alexander



Mele Kalikimaka me ka Hau'oli Makahiki Hou!

As we gather with loved ones, HMA celebrates a year of meaningful progress driven by you—our physician community. We secured prior authorization reform (HB250/Act 151), advanced continuity of care through transparent, datadriven standards, and countered national trends by growing membership across the islands. We launched the “Your Care is At Our Core” campaign to amplify the physician-patient relationship, and Ola Pono Ike 2025 delivered strong results—over 400 people celebrating our awesome physician leaders—fueling advocacy and education. We also stood up for fairness in contracts with our amicus brief and media presence following the Hawai‘i State Supreme Court’s decision on *Nitta v. HMSA*, and deepened collaboration with HCMS while strengthening HMA’s longterm sustainability. HMA’s convening role was evident with our recent Conversations at HMA: Ensuring healthcare access, equity, and sustainability In Hawaii; understanding the potential HPH-HMSA Affiliation and its impact, with the CEOs of Hawai‘i Pacific Health (Ray Vara), Queen’s (Jason Chang), and Kaiser (Ed Chan), moderated by HMA President Dr. Nadine Tenn Salle. Healthcare is in a tough place, but you can count on HMA to be on the frontline for physicians and their patients, in a spirit of collaboration and aloha with all stakeholders.

Mahalo for your advocacy, care, and aloha. May the season bring peace and renewed purpose as we keep moving forward—together.

With aloha,
Marc Alexander, *Executive Director*



Ensuring healthcare access, equity, and sustainability In Hawaii: Understanding the Potential HPH-HMSA Affiliation

On Thursday, December 18, 2025, Conversations at HMA brought together representatives from Hawai‘i’s three largest healthcare providers: Hawaii Pacific Health (HPH), The Queen’s Health Systems (QHS), and Kaiser Permanente Hawaii (KPH). These three thought leaders shared their assessment on Hawai‘i’s healthcare environment, how all providers affect its landscape, and their visions towards making healthcare accessible, equitable, and sustainable for Hawai‘i’s people.

Moderated by HMA President Nadine Tenn Salle, MD, panelists included Raymond Vara, Jr., President and CEO, Hawaii Pacific Health; Jason Chang, President and CEO, The Queen’s Health Systems; and Ed Chan, President of Kaiser Foundation Health Plan and Hospitals in Hawaii.



L-R: Ray Vara, Jr.; Ed Chan; Jason Chang; Nadine Tenn Salle, MD

Much of the conversation centered around the potential affiliation between HPH and HMSA, and how this may impact our healthcare environment. All three panelists shared honest assessments and concerns, and each answered questions posed by our members and each other.



The conversation was viewed by 150+ physicians and healthcare leaders in Hawaii. A recording was made of the conversation; we hope to obtain permission to share the recording with our members soon.



HMA will keep a close watch on this subject and report all new findings on our website and in this newsletter.

President's Message *...continued from page 1*

burden, and the realities of geographic isolation and cost of living are converging in ways that threaten access, affordability, and sustainability.

Panelists described both the promise and the risks of consolidation. One perspective emphasized the potential to reduce duplicative administrative costs, align incentives, and reinvest savings into bending the cost curve, strengthening services statewide—including neighbor islands—and supporting workforce and upstream social investments. Another perspective raised serious concerns about unintended consequences, particularly the fragility of safety-net services and how even modest shifts in commercial volume could destabilize care for Medicaid, behavioral health, trauma, and other essential populations. A third, integrated-system perspective reinforced that alignment and reducing administrative waste—especially prior authorization—are critical, while underscoring the need for transparency, accountability, and demonstrable community benefit.

Importantly, the discussion surfaced unresolved questions: how regulatory safeguards would be enforced over time; whether “open system” commitments can truly prevent unintended patient steering; how safety-net providers would be protected structurally; and how any savings would be measured, audited, and equitably distributed. Yet there was also meaningful alignment. All agreed that the current system is unsustainable, workforce shortages are acute, administrative burden is harmful, neighbor-island access requires structural solutions, and Hawai‘i needs a strong, diverse provider ecosystem to serve its people.

As we look ahead to the 2026 legislative session, HMA will focus on fostering physician-inclusive policy discussions that are grounded in clinical experience and informed by those delivering care every day. Our role will be to convene and partner thoughtfully with health systems, insurers, and legislators—ensuring that proposed solutions are examined through the lived realities of private practitioners, rural and neighbor-island physicians, and those caring for our most vulnerable populations. Through respectful, evidence-based advocacy, HMA will work to elevate practical reforms in prior authorization, workforce stabilization, and access, while remaining mindful of Hawai‘i’s unique geography, communities, and shared kuleana.

HMA is not a decision-making body for the healthcare system. We are a trusted container for physicians—a place where difficult conversations can occur with integrity, nuance, and mutual respect. As we enter the new year, our commitment remains clear: to rebuild and strengthen the physician voice, to engage constructively across differences, and to help shape a healthier Hawai‘i for the next generation.

Mahalo for your leadership, your service, and your partnership. Encourage a physician colleague to join HMA in 2026.

Thanks for Coming to Ornament Decorating Day at HMA!

On December 11th, our merry band of elves swooped into the HMA office to trim the tree and create homemade ornaments! With lots of Christmas goodies and eggnog flowing, our interpid group of decorators shared their special talents to make our office a little brighter for the holidays.

We hope you'll join us next year and create your own ornament for our tree!

