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# A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 PART I

2 SECTION 1. Currently, some insurers who do not have a  
3 contract with the State for provision of pre-hospital ambulance  
4 treatment and transport services send claim remittances or  
5 direct payments to patients. This practice burdens the patient  
6 with billing processing, burdens the State with the cost of  
7 collection services to collect payment from the patient, and  
8 creates an unnecessary situation of possible bad debt for the  
9 patient.

10 The primary purpose of this Act is to require insurers,  
11 mutual benefit societies, and health maintenance organizations  
12 to make direct payments to the State that funds the provision of  
13 pre-hospital ambulance treatment and transport services.

14 SECTION 2. Chapter 431, Hawaii Revised Statutes, is  
15 amended by adding to article 10A a new section to be  
16 appropriately designated and to read as follows:



1           "§431:10A- Direct payment for pre-hospital ambulance  
2 treatment and transport services. (a) Any accident and health  
3 or sickness insurer that offers coverage for pre-hospital  
4 ambulance treatment and transport services shall provide for  
5 direct payment for the provision of pre-hospital ambulance  
6 treatment and transport services. This subsection (a) shall not  
7 apply to any transaction between the provider of pre-hospital  
8 ambulance treatment and transport services and an insurer if the  
9 parties have entered into a contract providing for direct  
10 payment.

11           (b) For purposes of this section,

12           "Direct payment" means:

13           (1) A claim shall be filed on behalf of the enrollee for  
14           the provision of pre-hospital ambulance treatment and  
15           transport services with the insurer;

16           (2) The insurer shall pay for the provision of pre-  
17           hospital ambulance treatment and transport services  
18           within sixty days of receipt of a claim filed by the  
19           provider; and

20           (3) The provider shall not make a demand for payment from  
21           the enrollee for the provision of pre-hospital  
22           ambulance treatment and transport until payment has



1 been received from the insurer. Thereafter, the  
2 provider may make a demand for payment from the  
3 enrollee for any unpaid portion of the services  
4 provided to the enrollee.

5 "Pre-hospital ambulance treatment and transport services"  
6 means ambulance treatment and transport services generated  
7 through requests to the State's 911 system."

8 SECTION 3. Chapter 432, Hawaii Revised Statutes, is  
9 amended by adding to article 1 a new section to be appropriately  
10 designated and to read as follows:

11 "§432:1- Direct payment for pre-hospital ambulance  
12 treatment and transport services. (a) A mutual benefit society  
13 that offers coverage for pre-hospital ambulance treatment and  
14 transport shall provide for the direct payment to the State for  
15 the provision of pre-hospital ambulance treatment and transport  
16 services. This subsection (a) shall not apply to any  
17 transaction between the provider of pre-hospital ambulance  
18 treatment and transport services and a mutual benefit society if  
19 the parties have entered into a contract providing for direct  
20 payment.

21 (b) For purposes of this section,



1 "Direct payment" means:

2 (1) A claim shall be filed on behalf of the enrollee for  
3 the provision of pre-hospital ambulance treatment and  
4 transport with the mutual benefit society;

5 (2) The mutual benefit society shall pay for the provision  
6 of pre-hospital ambulance treatment and transport  
7 services within sixty days of receipt of a claim filed  
8 by the provider; and

9 (3) The State shall not demand payment from the enrollee  
10 for the provision of pre-hospital ambulance treatment  
11 and transport provider until payment has been received  
12 from the mutual benefit society. Thereafter, the  
13 provider may make a demand for payment from the  
14 enrollee for any unpaid portion of the provider's fee.

15 "Pre-hospital ambulance treatment and transport services"  
16 means ambulance treatment and transport services generated  
17 through requests to the State's 911 system."

18 SECTION 4. Chapter 432D, Hawaii Revised Statutes, is  
19 amended by adding a new section to be appropriately designated  
20 and to read as follows:

21 "§432D- Direct payment for pre-hospital ambulance  
22 treatment and transport services. (a) A health maintenance



1 organization that offers coverage for pre-hospital ambulance  
2 treatment and transport shall provide for the direct payment for  
3 the provision of pre-hospital ambulance treatment and transport  
4 services. This subsection (a) shall not apply to any  
5 transaction between the provider of pre-hospital ambulance  
6 treatment and transport services and a health maintenance  
7 organization if the parties have entered into a contract  
8 providing for direct payment.

9 (b) For purposes of this section,

10 "Direct payment" means:

11 (1) A claim shall be filed on behalf of the enrollee for  
12 the provision of pre-hospital ambulance treatment and  
13 transport with the health maintenance organization;

14 (2) The health maintenance organization shall pay for the  
15 provision of pre-hospital ambulance treatment and  
16 transport services within sixty days of receipt of a  
17 claim filed by the provider; and

18 (3) The provider shall not demand payment from the  
19 enrollee for the provision of pre-hospital ambulance  
20 treatment and transport provider until payment has  
21 been received from the health maintenance  
22 organization. Thereafter, the provider may make a





**Report Title:**

Insurance; Direct Payment; Healthcare

**Description:**

Requires direct payment for the provision of pre-hospital ambulance treatment and transport services. Requires insurance entities contracting with the State to provide Medicaid coverage to enter into written contracts with a minimum of 50 percent of hospitals and providers in their coverage area. Effective July 1, 2020. (SB940 HD1)

