

STAND. COM. REP. NO.

757

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 917
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 917, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THIRD PARTY LIABILITY FOR MEDICAID,"

begs leave to report as follows:

The purpose of this measure is to ensure State compliance with section 6035 of the Deficit Reduction Act of 2005 (P.L. 109-171), by strengthening the State's ability to identify and obtain payments from first or third party payers that are legally responsible to pay for health services received by Medicaid recipients, when such payers are primary to Medicaid.

Testimony in support of this measure was submitted by the Department of Human Services. Comments regarding this measure were submitted by the Hawaii Medical Services Association. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Medicaid is designed to be the insurance provider of last resort. However, there are some statutory loopholes through which third parties have been able to avoid paying before Medicaid. Your Committee finds that this measure amends the current statutes to enhance the Department of Human Services' efforts to successfully obtain third party payments for Medicaid recipients, thus reducing unnecessary State expenditures.

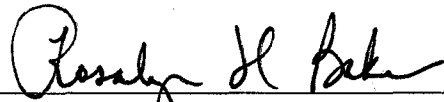


Your Committee has amended this measure by:

- (1) Clarifying the time period within which an insurer must accept a claim submitted by the State, in order to conform the language of this measure to federal law;
- (2) Relocating the definition of "first party" to section 431L-2, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive, stylistic changes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 917, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 917, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* <i>SB917, SDI</i>	Committee Referral: <i>HMS/HTH, CPN</i>	Date: <i>3/3/2009</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
GREEN, M.D., Josh				✓
IHARA, Jr., Les	✓			
SAKAMOTO, Norman	✓			
HEMMINGS, Fred	✓			
TOTAL	6			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>David Y Ige</i></div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes