

JAN 20 2010

A BILL FOR AN ACT

RELATING TO HEALTH.

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

1 SECTION 1. The State's worsening economy has impacted many
2 state programs including those overseen by the department of
3 human services. Frequently, many entities that contract with
4 the department of human services are not reimbursed for services
5 provided in a timely fashion. This is a problem for many
6 entities doing business with the department of human services,
7 including social service agencies as well as contracted health
8 plans providing services to those enrolled in the State's
9 managed medicaid program, QUEST.

10 Many health plans in the State contract with the department
11 of human services to participate as QUEST health plans because
12 it is a community service. Unfortunately, delays in payments
13 make it increasingly difficult to provide these services during
14 dire economic times.

15 In addition, when health plans do not meet the requirements
16 of Hawaii's clean claims law for the processing and timely
17 payment of claims, interest payments are incurred on these



1 delayed payments. When the State delays payments to health
2 plans for services already provided, a plan may ultimately end
3 up paying interest on these amounts when the delay is clearly
4 beyond the control of the health plan.

5 In order to prevent this from continuing to occur, the
6 legislature believes that QUEST health plans should be exempt
7 from the interest accrual provisions of the clean claims act
8 only in those instances in which delays are caused by nonpayment
9 from either the federal or state government.

10 SECTION 2. Section 431:13-108, Hawaii Revised Statutes, is
11 amended by amending subsection (g) to read as follows:

12 "(g) Notwithstanding section 478-2 to the contrary,
13 interest shall be allowed at a rate of fifteen per cent a year
14 for money owed by an entity on payment of a claim exceeding the
15 applicable time limitations under this section, as follows:

16 (1) For an uncontested claim:

17 (A) Filed in writing, interest from the first
18 calendar day after the thirty-day period in
19 subsection (b); or

20 (B) Filed electronically, interest from the first
21 calendar day after the fifteen-day period in
22 subsection (b);



- 1 (2) For a contested claim filed in writing:
 - 2 (A) For which notice was provided under subsection
 - 3 (c), interest from the first calendar day thirty
 - 4 days after the date the additional information is
 - 5 received; or
 - 6 (B) For which notice was not provided within the time
 - 7 specified under subsection (c), interest from the
 - 8 first calendar day after the claim is received;
 - 9 or
- 10 (3) For a contested claim filed electronically:
 - 11 (A) For which notice was provided under subsection
 - 12 (c), interest from the first calendar day fifteen
 - 13 days after the additional information is
 - 14 received; or
 - 15 (B) For which notice was not provided within the time
 - 16 specified under subsection (c), interest from the
 - 17 first calendar day after the claim is received.

18 The commissioner may suspend the accrual of interest if the
19 commissioner determines that the entity's failure to pay a claim
20 within the applicable time limitations was the result of a major
21 disaster or of an unanticipated major computer system failure.

1 Accrual of interest shall be suspended automatically if the
2 entity's failure to pay a claim within the applicable time
3 limitations is the result of late payment to the entity by the
4 state or federal government for services provided to
5 beneficiaries of a government program."

6 SECTION 3. New statutory material is underscored.

7 SECTION 4. This Act shall take effect upon its approval.

8

INTRODUCED BY: *Shannon Chun Oakland*



Report Title:

QUEST; Interest Payments

Description:

Exempting QUEST plans from paying interest under the clean claims act when delays are due to non-payment by government payers to QUEST plans.

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