

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 2208  
H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2208, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this bill is to ensure that providers who deliver health care to Medicaid beneficiaries are paid in a timely manner by:

- (1) Repealing the exemption for Medicaid and Medigap provider claims from the definition of "clean claims" under statutory reimbursement requirements that require health plans to pay providers within certain timeframes and impose interest on late payments; and
- (2) Requiring the Department of Human Services (DHS) to pay health plans according to their Medicaid contract with each plan, and to pay interest on late payments.

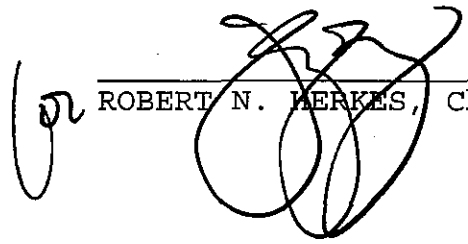
Hawaii Medical Association, Hawaii Chapter - American Physical Therapy Association, and a concerned individual testified in support of this bill. The Healthcare Association of Hawaii supported this measure with amendments. DHS and Ohana Health Plan opposed this bill. Kaiser Permanente, Hawaii Medical Service Association, and AlohaCare provided comments.



Your Committee finds that the provision in this bill requiring DHS to pay health plans interest when payment is delayed past the terms of the Medicaid contract should be reviewed by the Committee on Finance, to which this measure has not been referred. Accordingly, your Committee has amended this bill by removing this provision. Technical, nonsubstantive amendments were also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2208, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2208, H.D. 2.

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

  
ROBERT N. HERKES, Chair

