

Honolulu, Hawaii
February 8, 2016

RE: H.B. No. 1759
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 1759
entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Clarify that payment timeframes and interest penalties pertaining to reimbursement for accident and health or sickness insurance apply to clean claims; and
- (2) Amend the definition of "clean claim" to include Medicaid claims to ensure that health insurers promptly pay claims for services administered to Medicaid enrollees.

The Healthcare Association of Hawaii, The Queen's Health Systems, Hawai'i Pacific Health, and an individual supported this measure. The Department of Human Services (DHS), Department of Commerce and Consumer Affairs, and Hawaii Medical Service Association commented on this measure.

Based on conflicting testimony provided by DHS and the Healthcare Association of Hawaii, your Committee has requested further information from DHS about the extent to which payment of claims are delayed, the causes of delays in timely payments, and the mechanisms and tools the Med-QUEST Division has to hold the

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managed care health plans accountable for timely payment of claims pursuant to the State's contract with the managed care health plans.

Because the delay of payments can be especially problematic for providers that care for a disproportionate share of Medicaid patients, including hospitals and facilities within the Hawaii Health Systems Corporation, your Committee has amended this measure by changing its effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1759, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1759, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Health,



DELLA AU BELATTI, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 65-16

Record of Votes of the Committee on Health

Bill/Resolution No.: HB 1759	Committee Referral: HLT, CPC, FIN	Date: 1/29/16		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. BELATTI, Della Au (C)	✓			
2. CREAGAN, Richard P. (VC)	✓			
3. HASHEM, Mark J.	✓			
4. JORDAN, Jo	✓			
5. KOBAYASHI, Bertrand	✓			
6. MORIKAWA, Dee	✓			
7. OSHIRO, Marcus R.	✓			
8. FUKUMOTO CHANG, Beth	✓			
9. TUPOLA, Andria P.L.				
TOTAL (9)	9			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				