

Honolulu, Hawaii

**March 18**, 2016

RE: S.B. No. 2667  
S.D. 1  
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 S.B. No. 2667, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

The purpose of this measure is to promote the timely payment of claims made by health insurers to health care providers.

Specifically, this measure:

- (1) Requires health insurers to treat claims for payment that are in all aspects correctly filed and priced, otherwise known as clean claims, in the same manner as uncontested claims for purposes of payment timeframes; and
- (2) Repeals the exemption of Medicaid claims from the definition of clean claims.

The Queen's Health Systems, Healthcare Association of Hawaii, Residential Care Administrators, Hawaii Medical Service Association, and Alliance of Residential Care Administrators testified in support of this measure. The Department of Commerce and Consumer Affairs, Department of Human Services, Ohana Health Plan, and Hawaii Pacific Health provided comments.



Your Committee is concerned that there are claims that are outstanding for more than twelve months.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2112, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 2667, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2667, S.D. 1, 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,

  
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DELLA AU BELATTI, Chair



