

STAND. COM. REP. NO. **2770**

Honolulu, Hawaii

**MAR 04 2016**

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

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2667 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

begs leave to report as follows:

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

Specifically, the 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.

Your Committee received written comments in support of this measure from Healthcare Association of Hawaii, Hawaii Pacific Health, and The Queen's Health System.

Your Committee received written comments on this measure from the Department of Human Services and the Hawaii Medical Service Association.

SB2667 SD1 SSCR LRB 16-1377-1.doc



Your Committee finds that this measure will help to mitigate the adverse impacts of payment delays on clean claims by encouraging the timely payment of claims.

Your Committee notes that the Department of Human Services stated that repealing the exemption of Medicaid claims from the definition of a clean claim is unnecessary. Your Committee further notes that Hawaii Pacific Health requested an amendment to also repeal two other types of claims from the definition of a clean claim, specifically claims for self-insured groups and claims for services rendered to individuals associated with a health care entity through a national participating provider network.

Your Committee suggests that Hawaii Pacific Health should submit their proposed amendment for adoption by the next committee to hear this measure.

Your Committee has amended this measure by noting in the preamble of the measure that the Department of Human Services indicates that the exemption of Medicaid claims from the definition of clean claims is not necessary.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2667, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2667, S.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



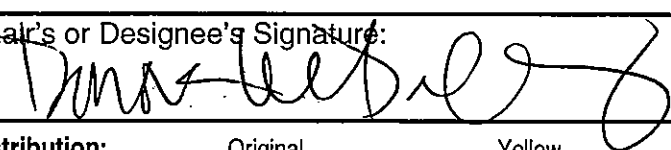
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JILL N. TOKUDA, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 2667</b>	Committee Referral: <b>CPH/HMS, WAM</b>	Date: <b>7/23/16</b>		
<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
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani				/
GALUTERIA, Brickwood	/			
HARIMOTO, Breene				/
INOUYE, Lorraine R.	/			
RIVIERE, Gil	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
SLOM, Sam	/			
<b>TOTAL</b>	<b>9</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes