



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 5, 2017

**GOV. MSG. NO. 1191**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 5, 2017, the following bill was signed into law:

HB91 HD1 SD1

RELATING TO INSURANCE  
**ACT 090 (17)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

---

---

## A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 SECTION 1. The legislature finds that section 431:13-108,  
2 Hawaii Revised Statutes, also known as the clean claims statute,  
3 requires health plans to pay providers on a timely basis when  
4 uncontested claims are submitted. Under this law, insurers are  
5 required to reimburse providers for clean claims payments within  
6 thirty days for clean claims submitted in writing, and within  
7 fifteen days for clean claims submitted electronically. There  
8 were amendments made to section 431:13-108, Hawaii Revised  
9 Statutes, in the 2015 legislative session on a separate, but  
10 related, insurance matter that created some ambiguity as to  
11 whether acute care hospitals were covered.

12 The purpose of this Act is to ensure that acute care  
13 hospitals are covered under the clean claims statute.

14 SECTION 2. Section 323D-2, Hawaii Revised Statutes, is  
15 amended by amending the definition of "health care facility" and  
16 "health care service" to read as follows:



1 "Health care facility" and "health care service" include  
2 any program, institution, place, building, or agency, or portion  
3 thereof, private or public, other than federal facilities or  
4 services, whether organized for profit or not, used, operated,  
5 or designed to provide medical diagnosis, treatment, nursing,  
6 rehabilitative, or preventive care to any person or persons.  
7 The terms include, but are not limited to, health care  
8 facilities and health care services commonly referred to as  
9 hospitals, facilities that provide inpatient medical care and  
10 other related services for surgery or acute medical conditions  
11 or injuries (usually for a short-term illness or condition),  
12 extended care and rehabilitation centers, nursing homes, skilled  
13 nursing facilities, intermediate care facilities, hospices for  
14 the terminally ill that require licensure or certification by  
15 the department of health, kidney disease treatment centers  
16 including freestanding hemodialysis units, outpatient clinics,  
17 organized ambulatory health care facilities, emergency care  
18 facilities and centers, home health agencies, health maintenance  
19 organizations, and others providing similarly organized services  
20 regardless of nomenclature."



1 SECTION 3. Section 431:13-108, Hawaii Revised Statutes, is  
2 amended by amending subsection (1) to read as follows:

3 "(1) As used in this section:

4 [~~"Acute care hospital" means a hospital that provides~~  
5 ~~inpatient medical care and other related services for surgery or~~  
6 ~~acute medical conditions or injuries (usually for a short term~~  
7 ~~illness or condition).]~~

8 "Claim" means any claim, bill, or request for payment for  
9 all or any portion of health care services provided by a health  
10 care provider of services submitted by an individual or pursuant  
11 to a contract or agreement with an entity, using the entity's  
12 standard claim form with all required fields completed with  
13 correct and complete information.

14 "Clean claim" means a claim in which the information in the  
15 possession of an entity adequately indicates that:

- 16 (1) The claim is for a covered health care service  
17 provided by an eligible health care provider to a  
18 covered person under the contract;
- 19 (2) The claim has no material defect or impropriety;
- 20 (3) There is no dispute regarding the amount claimed; and



1 (4) The payer has no reason to believe that the claim was  
2 submitted fraudulently.

3 The term does not include:

- 4 (1) Claims for payment of expenses incurred during a  
5 period of time when premiums were delinquent;
- 6 (2) Claims that are submitted fraudulently or that are  
7 based upon material misrepresentations;
- 8 (3) Claims for self-insured employer groups; claims for  
9 services rendered to individuals associated with a  
10 health care entity through a national participating  
11 provider network; or claims for medicaid, medicare,  
12 medigap, or other federally financed plan; and
- 13 (4) Claims that require a coordination of benefits,  
14 subrogation, or preexisting condition investigations,  
15 or that involve third-party liability.

16 "Contest", "contesting", or "contested" means the  
17 circumstances under which an entity was not provided with, or  
18 did not have reasonable access to, sufficient information needed  
19 to determine payment liability or basis for payment of the  
20 claim.



1 "Deny", "denying", or "denied" means the assertion by an  
2 entity that it has no liability to pay a claim based upon  
3 eligibility of the patient, coverage of a service, medical  
4 necessity of a service, liability of another payer, or other  
5 grounds.

6 "Entity" means accident and health or sickness insurance  
7 providers under part I of article 10A of chapter 431, mutual  
8 benefit societies under article 1 of chapter 432, dental service  
9 corporations under chapter 423, and health maintenance  
10 organizations under chapter 432D.

11 "Fraud" shall have the same meaning as in section  
12 431:2-403.

13 "Health care facility" shall have the same meaning as in  
14 section 323D-2 [~~provided that health care facility shall not~~  
15 ~~include an acute care hospital]~~.

16 "Health care provider" means a Hawaii health care facility,  
17 physician, nurse, or any other provider of health care services  
18 covered by an entity."

19 SECTION 4. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

21 SECTION 5. This Act shall take effect upon its approval.



APPROVED this 5 day of JUL , 2017

A handwritten signature in black ink, appearing to read "David Ige". The signature is written in a cursive style with a large, sweeping flourish at the end.

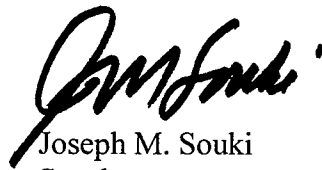
GOVERNOR OF THE STATE OF HAWAII

HB No. 91, HD 1, SD 1

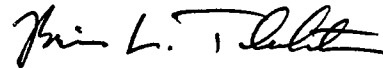
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 26, 2017  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017.



Joseph M. Souki  
Speaker  
House of Representatives



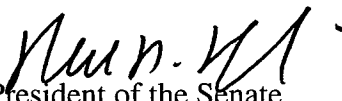
Brian L. Takeshita  
Chief Clerk  
House of Representatives




**THE SENATE OF THE STATE OF HAWAII**

Date: April 3, 2017  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the  
Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017.

  
President of the Senate

  
Clerk of the Senate