
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.



Report Title:

Acute Care Hospitals; Health Care Facility; Clean Claims;
Insurance

Description:

Clarifies that acute care hospitals are covered under the
State's clean claims statute. (SD1)

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not legislation or evidence of legislative intent.*

