

# SB373

Measure Title: RELATING TO INSURANCE.

Report Title: Acute Care Hospitals; Health Care Facility; Clean Claims; Insurance

Description: Clarifies that acute care hospitals are covered under the clean claims statute, section 431:13-108, Hawaii Revised Statutes.

Companion: [HB91](#)

Package: None

Current Referral: CPH

Introducer(s): BAKER, KIDANI, S. Chang, English, Espero, Nishihara, K. Rhoads, Wakai



**February 27, 2017 at 9:30 AM**  
**Conference Room 229**

**Senate Committee on Commerce, Consumer Protection, and Health**

To: Chair Rosalyn H. Baker  
Vice Chair Clarence K. Nishihara

From: Paige Heckathorn  
Senior Manager, Legislative Affairs  
Healthcare Association of Hawaii

**Re: Testimony in Support**  
**SB 373, Relating to Insurance**

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 160 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

The Healthcare Association of Hawaii would like to thank the committee for the opportunity to **support** SB 373. This measure would amend the definition of "facility" in Hawaii's clean claims law, found in section 431:13-108 of the Hawaii Revised Statutes, to make sure that acute care facilities are protected under the statute. This revision will clarify the original intent of the clean claims law to ensure that acute care facilities are paid in a timely fashion when uncontested (or clean) claims are submitted. (Specifically, the law requires payments to be made within thirty days for clean claims submitted in writing, and within fifteen days for clean claims submitted electronically.)

There were revisions made to the clean claims statute in 2015 Session Laws Hawaii, Act 033, that created ambiguity in the definitions used to define which providers are covered under the statute. This measure would clarify the definition of "facility" by striking out an exclusion created in 2015 for acute care facilities. We humbly request your support of this measure and thank you for your time and consideration of this matter.

Testimony of  
Jonathan Ching  
Government Relations Specialist

Before:  
Senate Committee on Commerce, Consumer Protection, and Health  
The Honorable Rosalyn H. Baker, Chair  
The Honorable Clarence K. Nishihara, Vice Chair

February 27, 2017  
9:30 a.m.  
Conference Room 229

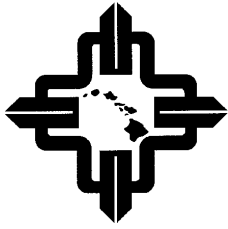
**Re: SB373 Relating to Insurance**

Chair Baker, Vice-Chair Nishihara, and committee members, thank you for this opportunity to provide testimony on SB373, which clarifies that acute care hospitals are covered under the Hawai‘i’s clean claims statute.

**Kaiser Permanente Hawaii SUPPORTS SB373.**

SB373 is a “housekeeping” measure to clarify that acute care hospitals are subject to Hawai‘i’s clean claim statute, which requires health plans to pay providers on a timely basis when uncontested claims or “clean” claims are submitted.

Kaiser Permanente Hawaii does not distinguish any difference between acute care hospitals and other facilities when paying clean claims. Currently, we target paying clean claims within thirty days for clean paper claims, and within fifteen days for clean claims submitted electronically. Therefore, we urge the Committee to PASS SB373. Mahalo for the opportunity to testify on this measure.



**HAWAII HEALTH SYSTEMS**  
C O R P O R A T I O N

*"Quality Healthcare For All"*

**Senate Committee on Commerce, Consumer Protection, and Health**  
**Senator Rosalyn H. Baker, Chair**  
**Senator Clarence K. Nishihara, Vice Chair**

February 27, 2017  
Conference Room 229  
9:30 a.m.  
Hawaii State Capitol

**Testimony in support of Senate Bill 373 Relating to Insurance  
Clarifies that acute care hospitals are covered under the clean claims statute,  
section 431:13-108, Hawaii Revised Statutes.**

Linda Rosen, M.D., M.P.H.  
Chief Executive Officer  
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony **in support of** S.B. 373 that clarifies that acute care hospitals are covered under the clean claims statute, section 431:13-108, Hawaii Revised Statutes.

This measure would amend the definition of "facility" in Hawaii's clean claims law, found in section 431:13-108 of the Hawaii Revised Statutes, to make sure that acute care facilities are protected under the statute. This revision will clarify the original intent of the clean claims law to ensure that acute care facilities are paid in a timely fashion when uncontested (or clean) claims are submitted. (Specifically, the law requires payments to be made within thirty days for clean claims submitted in writing, and within fifteen days for clean claims submitted electronically.)

There were revisions made to the clean claims statute in 2015 Session Laws Hawaii, Act 033, that created ambiguity in the definitions used to define which providers are covered under the statute. This measure would clarify the definition of "facility" by striking out an exclusion created in 2015 for acute care facilities.

Three of HHSC's facilities (Hilo Medical Center, Kona Community Hospital, and Maui Memorial Medical Center) would qualify as "acute care facilities" and would appreciate the support that the clean claims statute gives to other healthcare providers. Combined,

these three facilities have over \$470 million in net patient service revenue that is currently not under the protection of the clean claims statute.

Thank you for the opportunity to testify before this committee. We would respectfully recommend that the committee's support of this measure.



## THE QUEEN'S HEALTH SYSTEMS

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To: The Honorable Rosalyn H. Baker, Chair  
The Honorable Clarence K. Nishihara, Vice Chair  
Members, Committee on Commerce, Consumer Protection, and Health  
*Paula Yoshioka*

From: Paula Yoshioka, Senior Vice President, The Queen's Health Systems  
Date: February 17, 2017  
Hrg: Senate Committee on Commerce, Consumer Protection, and Health Hearing; Monday,  
February 27, 2017 at 9:30AM in Room 229

Re: **Support for SB 373, Relating to Insurance**

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My name is Paula Yoshioka, and I am a Senior Vice President at The Queen's Health Systems. We would like to express our **support** for SB 373, Relating to Insurance. This bill clarifies that acute care hospitals are covered under the clean claims statute, section 431:13-108, Hawaii Revised Statutes.

We concur with the testimony from the Healthcare Association of Hawaii. This bill clarifies the original intent of the clean claims law to ensure that acute care facilities are paid in a timely fashion when uncontested claims or clean claims are submitted. Specifically, the law requires payments to be made within thirty days for clean claims submitted in writing, and within fifteen days for clean claims submitted electronically.

We commend the legislature for introducing this measure and ask you to support it.

Thank you for your time and attention to this important issue.

*The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.*

**February 27, 2017 at 9:30am  
Conference Room 229**

**Senate Committee on Commerce, Consumer Protection, and Health**

To: Senator Rosalyn H. Baker, Chair  
Senator Clarence K. Nishihara, Vice Chair

From: Michael Robinson  
Vice President – Government Relations & Community Affairs

**Re: Testimony in Support – SB 373 Relating to Insurance**

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My name is Michael Robinson, Vice President, Government Relations and Community Affairs at Hawai'i Pacific Health (HPH). Hawai'i Pacific Health is a not-for-profit health care system, and the state's largest health care provider and non-governmental employer. Hawai'i Pacific Health is committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four hospitals, more than 50 outpatient clinics and service sites, and over 1,600 affiliated physicians. Hawai'i Pacific Health's hospitals are Kapi'olani Medical Center for Women & Children, Pali Momi Medical Center, Straub Clinic & Hospital and Wilcox Memorial Hospital.

Hawai'i Pacific Health would like to thank the committee for the opportunity to **support** SB 373. This measure would amend the definition of "facility" in Hawaii's clean claims law, found in section 431:13-108 of the Hawaii Revised Statutes, to make sure that acute care facilities are protected under the statute. Due to revisions made to the clean claims statute in 2015 Session Laws Hawai'i (Act 033), there is ambiguity in the definitions of which providers are covered. This measure would clarify the definition of "facility" by striking out an exclusion created in 2015 for acute care facilities.

We request your support of this measure and thank you for your time and consideration of this matter.



Testimony in Support  
SB 373, Relating to Insurance  
by  
Stephen A. Kula, Ph.D., NHA  
Executive Director  
Legacy of Life Hawai'i

Senate Committee on Commerce, Consumer Protection, and Health  
Chair Rosalyn H. Baker  
Vice Chair Clarence K. Nishihara

Friday, February 27, 9:30 a.m.  
State Capitol, Conference Room 229

Thank you for the opportunity to offer testimony on behalf of Legacy of Life Hawai'i in strong support of SB 373. As a member of the Healthcare Association of Hawaii, Legacy of Life Hawai'i supports this legislation which seeks to amend the definition of "facility" in Hawaii's clean claims law, found in section 431:13-108 of the Hawaii Revised Statutes, to make sure that acute care facilities are protected under the statute. This revision will clarify the original intent of the clean claims law to ensure that acute care facilities are paid in a timely fashion when uncontested (or clean) claims are submitted. (Specifically, the law requires payments to be made within thirty days for clean claims submitted in writing, and within fifteen days for clean claims submitted electronically.)

There were revisions made to the clean claims statute in 2015 Session Laws Hawaii, Act 033, that created ambiguity in the definitions used to define which providers are covered under the statute. This measure would clarify the definition of "facility" by striking out an exclusion created in 2015 for acute care facilities. We humbly request your support of this measure and thank you for your time and consideration of this matter.

Thank you for the opportunity to offer testimony on behalf of Legacy of Life Hawai'i in strong support.