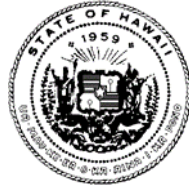


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March 24, 2025

TO: The Honorable Representative Scot Z. Matayoshi, Chair  
House Committee on Consumer Protection & Commerce

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 1411 HD1 – RELATING TO MEDICAID THIRD PARTY LIABILITY.**

Hearing: Tuesday, March 25, 2025, 2:00 p.m.  
Conference Room 329 & Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) strongly supports this administration bill, and requests that the effective date be restored to "upon approval."

**PURPOSE:** This bill conforms state law to federal law by increasing accountability and transparency under new Medicaid requirements for health insurers and other third parties that are legally liable for health care services received by Medicaid beneficiaries to pay for those services.

The Senate Committee on Health and Human Services amended this bill by making technical, nonsubstantive amendments for the purposes of clarity and consistency (SD1); the Senate Committee on Commerce and Consumer Protection amended this bill by inserting an effective date of July 1, 2050, to encourage further discussion (SD2); and the House Committee on Health amended the measure by changing the effective date to July 1, 3000, to encourage further discussion; and making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style (HD1).

State law needs to be updated to conform to new third-party liability requirements included in the Consolidated Appropriations Act, 2022 (Public Law 117-103). This bill requires liable third-party payers to be responsible for reimbursing Medicaid providers based on the standards of the Medicaid program and prohibits them from denying payment based on other standards. This bill will allow DHS to submit a federally required Medicaid State Plan Amendment attesting that the

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State is following Public Law 117-103, which it cannot do without the amendments to HRS section 431L-2.5.

Thank you for the opportunity to testify in strong support of this measure.

**SB-1411-HD-1**

Submitted on: 3/21/2025 6:41:26 PM

Testimony for CPC on 3/25/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Wailua Brandman	Individual	Support	Written Testimony Only

Comments:

strong support