S.B. NO. 1282

A BILL FOR AN ACT

RELATING TO HEALTH.

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

1   SECTION 1. Section 431:13-108, Hawaii Revised Statutes, is

2 amended by amending subsection (g) and (h) to read as follows:

3   "(g) Notwithstanding section 478-2 to the contrary,

4 [interest shall be allowed at a rate of fifteen per cent a year

5 for money owed by an entity on payment of a claim exceeding] an

6 entity who exceeds the applicable time limitations for payment

7 of a claim under this section[-] shall be subject to a late fee

8 as follows:

9   (1) For an uncontested claim:

10   (A) Filed in writing[, interest from the first

11   calendar day]:

12   (i) A fee of $25 for a payment received up to

13   thirty days after the thirty-day period in

14   subsection (b);[or]

15   (ii) A fee of $50 for a payment received between

16   thirty-one days and sixty days after the

17   thirty-day period in subsection (b); or

1   (iii)   A fee of either $100 or five per cent of the

2   money owed, whichever is greater, for a

3   payment received sixty-one or more days

4   after the thirty-day period in subsection

5   (b); or

6   (B) Filed electronically[, interest from the first

7   calendar day]:

8   (i)   A fee of $25 for a payment received up to

9   thirty days after the fifteen-day period in

10   subsection (b);

11   (ii)   A fee of $50 for a payment received between

12   thirty-one days and sixty days after the

13   fifteen-day period in subsection (b); or

14   (iii) A fee of either $100 or five per cent of the

15   money owed, whichever is greater, for a

16   payment received sixty-one or more days

17   after the fifteen-day period in subsection

18   (b);

19   (2) For a contested claim filed in writing:

20   (A)   For which notice was provided under subsection

21   (c) [, interest from]:

1   (i)   A fee of $25 for a payment received up to

2   thirty days after the first calendar day

3   thirty days after the date the additional

4   information is received; [or]

5   (ii)   A fee of $50 for a payment received between

6   the sixty-one calendar days and ninety

7   calendar days after the date the additional

8   information is received; or

9   (iii)   A fee of either $100 or five per cent of the

10   money owed, whichever is greater, for a

11   payment received one hundred twenty or more

12   calendar days after the date the additional

13   information is received; or

14   (B)   For which notice was not provided within the time

15   specified under subsection (c) [, interest from

16   the first calendar day]:

17   (i)   A fee of $25 for a payment received up to

18   thirty days after the claim is received;

19   [or]

1   (ii)   A fee of $50 for a payment received between

2   thirty-one days and sixty days after the

3   date the claim is received; or

4   (iii) A fee of $100 either $100 or five percent of

5   the money owed, whichever is greater, for a

6   payment received sixty-one or more days

7   after the date the claim is received; or

8   (3)   For a contested claim filed electronically:

9   (A)   For which notice was provided under subsection

10   (c) [, interest from]:

11   (i)   A fee of $25 for a payment received up to

12   thirty days after the first calendar day

13   fifteen days after the additional

14   information is received; [or]

15   (ii)   A fee of $50 for a payment received between

16   the forty-six calendar days and seventy-five

17   calendar day after the date the additional

18   information is received; or

19   (iii) A fee of either $100 or five per cent of the

20   money owed, whichever is greater, for a

21   payment received one hundred five or more

1   calendar days after the date the additional

2   information is received; or

3   (B)   For which notice was not provided within the time

4   specified under subsection (c) [, interest from

5   the first calendar day]:

6   (i)   A fee of $25 for a payment received up to

7   thirty days after the claim is received[.]

8   (ii) A fee of $50 for a payment received between

9   thirty-one days and sixty days after the

10   date the claim is received; or

11   (iii) A fee of either $100 or five per cent of the

12   money owed, whichever is greater, for a

13   payment received sixty-one or more days

14   after the date the claim is received.

15   The commissioner may [suspend] waive the [accrual of

16   interest] payment of any fees established by this section if the

17   commissioner determines that the entity's failure to pay a claim

18   within the applicable time limitations was the result of a major

19   disaster or of an unanticipated major computer system failure.

20   Total fees for any late payment accrued under this section shall

1   not exceed fifteen per cent of the original amount of money owed

2   to the provider.

3   (h)   Any [interest that accrues in a sum of at least $2 on

4   a delayed clean] late fee that accrues on a delayed claim [in]

5   pursuant to this section shall be automatically added by the

6   entity to the amount of the unpaid claim due the provider."

7   SECTION 2.   This Act does not affect rights and duties that

8   matured, penalties that were incurred, and proceedings that were

9   begun before its effective date.

10   SECTION 3.   Statutory material to be repealed is bracketed

11 and stricken.   New statutory material is underscored.

12   SECTION 4.   This Act shall take effect on July 1, 2025.

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                    INTRODUCED BY: _____

Report Title:
Health Insurers; Mutual Benefit Societies; Health Maintenance
Organizations; Delayed Claims; Late Fees

Description:
Establishes a schedule of late fees to be added to the original
unpaid claim amount if a health insurer, mutual benefit society,
or health maintenance organization fails to pay a provider
within the required time.

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