

LATE

**Senator Rosalyn H. Baker, Chair
Senator Brickwood Galuteria, Vice Chair
Committee on Commerce and Consumer Protection**

March 25, 2013

Wednesday, March 27 2013, 10:00 a.m., Room 229

TESTIMONY IN SUPPORT OF SCR 129 / SR 91

Requesting the Insurance Commissioner to Create a Working Group to Study Insurance Recoupment

Honorable Chair Rosalyn H. Baker, Vice Chair Brickwood Galuteria and members of the committee, my name is Dr. Herbert Gupton and I am a psychologist who works for the City and County of Honolulu and in the private sector in Honolulu. I would like to provide testimony in support of SCR 129 / SR 91.

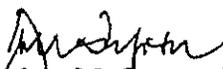
"Recoupments" are funds that health plans have paid to providers but later seek reimbursement after the plan determined, for whatever reason, it paid out in error. There is no precise information about how often insurance companies are demanding recoupment or for how much, but it is happening more often, and to the full range of health care providers. Across the country as the recoupment demands are increasing, practices are folding as a result.

In Hawaii, it is widely recognized that we have a shortage of health practitioners in many fields. And while practitioners generally have one year to adjust their billing to insurance companies; the insurance companies have no similar restriction preventing them from reaching far back into history to recoup funds they previously paid to health care providers for their services. This is an ongoing open-ended liability for health care professionals and undermines the ability to build upon and plan a viable and economically feasible practice.

Thus far, more than half of the country has legislation limiting the time that an entity can take money back for the services that have already been provided. According to a recent data search the following states have statute of limitations for medical recoupment: Alabama, Arkansas; Arizona; California; Colorado; Connecticut; District of Columbia; Florida; Georgia; Illinois; Indiana; Iowa; Kentucky; Maine; Maryland; Massachusetts; Missouri; Montana; New Hampshire; New Jersey; New York; North Carolina; Ohio; Oklahoma; South Carolina; Texas; Utah; Vermont; Virginia; Washington; and West Virginia ranging from 6-months to 30-months, with the average range of time allowed for take-backs being somewhere between 12 and 24 months.

Thank you for your consideration of my testimony in support of SCR 129 / SR 91.

Respectfully submitted,


Herbert M. Gupton, Ph.D., ABPP

SCR129

Submitted on: 3/26/2013

Testimony for CPN on Mar 27, 2013 10:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Evelyne Raposo, Psy.D.	Individual	Comments Only	No

Comments: Senator Rosalyn H. Baker, Chair Senator Brickwood Galuteria, Vice Chair Committee on Commerce and Consumer Protection March 25, 2013 Wednesday, March 27 2013, 10:00 a.m., Room 229 TESTIMONY IN SUPPORT OF SCR 129 / SR 91 Requesting the Insurance Commissioner to Create a Working Group to Study Insurance Recoupment Honorable Chair Rosalyn H. Baker, Vice Chair Brickwood Galuteria and members of the committee, my name is Dr. Evelyne Raposo and I am a psychologist who works in the private sector in Honolulu. I would like to provide testimony in support of SCR 129 / SR 91. "Recoupments" are funds that health plans have paid to providers but later seek reimbursement after the plan determined, for whatever reason, it paid out in error. There's no precise information about how often insurance companies are demanding recoupment or for how much, but it is happening more often, and to the full range of health care providers. Across the country as the recoupment demands are increasing, practices are folding as a result. In Hawaii, it is widely recognized that we have a shortage of health practitioners in many fields. And while practitioners generally have one year to adjust their billing to insurance companies; the insurance companies have no similar restriction preventing them from reaching far back into history to recoup funds they previously paid to health care providers for their services. This is an ongoing open-ended liability for health care professionals and undermines the ability to build upon and plan a viable and economically feasible practice. Thus far, more than half of the country has legislation limiting the time that an entity can take money back for the services that have already provided. According to a recent data search the following states have statute of limitations for medical recoupment: Alabama, Arkansas; Arizona; California; Colorado; Connecticut; District of Columbia; Florida; Georgia; Illinois; Indiana; Iowa; Kentucky; Maine; Maryland; Massachusetts; Missouri; Montana; New Hampshire; New Jersey; New York; North Carolina; Ohio; Oklahoma; South Carolina; Texas; Utah; Vermont; Virginia; Washington; and West Virginia ranging from 6-months to 30-months, with the average range of time allowed for take-backs being somewhere between 12 and 24 months. Thank you for your consideration of my testimony in support of SCR 129 / SR 91. Respectfully submitted, Evelyne Raposo, Psy.D. Clinical Psychologist Tel (808) 373-2667 email: Dr.RaposoHawaii@gmail.com www.evelynraposo.com

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

March 27, 2013

The Honorable Rosalyn H. Baker, Chair
The Honorable Brickwood Galuteria, Vice Chair

Senate Committee on Commerce and Consumer Protection

Re: SCR 129/SR 91 – Requesting the Insurance Commissioner to Create a Working Group to Study Insurance Recoupment

Dear Chair Baker, Vice Chair Galuteria and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SCR 129 and SR 91 which requests the Insurance Commissioner to form a workgroup to study insurance recoupment. HMSA offers a comment on the Resolutions.

HMSA understands the need to gain an understanding of the recoupment process and the impact of limiting the period allotted to initiate recoupment. And, we understand it would be of value to learn how other states deal with this issue. Should the Legislature wish to pursue establishing a workgroup to study this issue, we suggest that the workgroup include representation from the health plans. We believe having insurers on the workgroup will make the work of study group more efficient and fruitful.

Thank you for the opportunity to comment on these Resolutions.

Sincerely,

A handwritten signature in black ink that reads "Mark K. Oto".

Mark K. Oto
Director
Government Relations