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# A BILL FOR AN ACT

RELATING TO INSURER REQUIREMENTS.

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

1           SECTION 1.   When Congress passed the Deficit Reduction Act  
2 of 2005, P.L. 109-171, it made a number of amendments to the  
3 Social Security Act intended to strengthen states' ability to  
4 identify and collect from liable third party payors that are  
5 legally responsible to pay claims primary to medicaid.

6           To ensure the State's compliance with the requirements of  
7 P.L. 109-171, the legislature passed Senate Bill No. 917,  
8 enacted as Act 103, Session Laws of Hawaii 2009, and codified in  
9 chapter 431L, Hawaii Revised Statutes.

10          Federal and state statutes require that medicaid be the  
11 payor of last resort for health insurance. To meet this  
12 obligation, the department of human services, as the state  
13 medicaid agency, requires information on medicaid recipients who  
14 also have commercial health insurance.

15          Section 431L-2.5, Hawaii Revised Statutes, requires the  
16 health care insurer to share information on an individual basis  
17 at the State's request. This Act will require all commercial  
18 health care insurers operating in Hawaii to also share with the



1 department of human services a listing of their members on a  
2 quarterly basis. Quarterly reports will allow the department to  
3 determine on a timely basis the eligibility of persons who apply  
4 for medicaid and to determine the continuing eligibility for  
5 persons receiving health care insurance through the medicaid  
6 program.

7 Medicaid allows passive renewal and self-declaration to  
8 facilitate eligibility, which makes it difficult for the  
9 department to determine when a recipient's eligibility status  
10 has changed because of employment, increased income, or being  
11 provided health coverage under the prepaid health care act.

12 In the current economic climate of decreased state revenues  
13 and the unfortunate necessity of reducing medical assistance  
14 benefits, identifying areas to decrease expenditures with  
15 minimal impact on the public becomes increasingly important.  
16 The senate committee on ways and means stated in Standing  
17 Committee Report No. 3033, Regular Session of 2010, that "the  
18 State's economic difficulties threaten the provision of human  
19 services under many state programs. Your Committee finds that,  
20 despite budget cuts and realignments, it is important to  
21 maintain the level of services that are provided to the neediest  
22 populations in the State."



1           The purpose of this Act is to require all commercial health  
2 care insurers operating in Hawaii to share with the department  
3 of human services, on a timely basis, a listing of their members  
4 for medicaid eligibility determination. This will improve  
5 medicaid program integrity and ensure that medicaid is the payor  
6 of last resort and that funding for the medicaid program is used  
7 to provide health insurance coverage to those who really need  
8 it.

9           SECTION 2. Section 431L-2.5, Hawaii Revised Statutes, is  
10 amended to read as follows:

11           "~~§~~**431L-2.5**~~§~~ **Insurer requirements.** Any health insurer  
12 as identified in section 431L-1 shall:

13           (1) Provide, with respect to individuals who are eligible  
14 for, or are provided, medical assistance under Title  
15 42 United States Code section 1396a (section 1902 of  
16 the Social Security Act), as amended, upon the request  
17 of the State, information to determine during what  
18 period the individual or the individual's spouse or  
19 dependents may be or may have been covered by a health  
20 insurer and the nature of the coverage that is or was  
21 provided by the health insurer, including the name,



1 address, and identifying number of the plan in a  
2 manner prescribed by the State;

3 (2) Provide to the State a quarterly report listing its  
4 members for a cross-reference check of prospective and  
5 current medicaid beneficiaries. To ensure the  
6 validity of beneficiary matches, the minimum data  
7 required to be included in each report may include  
8 first and last name, date of birth, and social  
9 security number. The data fields and electronic  
10 format of the member listing shall be determined by  
11 the department of human services;

12 [~~+2~~] (3) Accept the State's right of recovery and the  
13 assignment to the State of any right of an individual  
14 or other entity to payment from the party for a health  
15 care item or service for which payment has been made  
16 for medical assistance under Title 42 United States  
17 Code section 1396a (section 1902 of the Social  
18 Security Act);

19 [~~+3~~] (4) Respond to any inquiry by the State regarding a  
20 claim for payment for any health care item or service  
21 that is submitted not later than three years after the



1 date of the provision of the health care item or  
2 service; and  
3 ~~(4)~~ (5) Agree not to deny a claim submitted by the State  
4 solely on the basis of the date of submission of the  
5 claim, the type or format of the claim form, or a  
6 failure to present proper documentation at the point-  
7 of-sale that is the basis of the claim, if:  
8 (A) The claim is submitted by the State within the  
9 three-year period beginning on the date on which  
10 the health care item or service was furnished;  
11 and  
12 (B) Any action by the State to enforce its rights  
13 with respect to the claim is commenced within six  
14 years of the State's submission of the claim."  
15 SECTION 3. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.  
17 SECTION 4. This Act shall take effect on July 1, 2012.

**Report Title:**

Insurer Requirements

**Description:**

Requires all commercial health care insurers operating in Hawaii to share with the department of human services, a listing of their members for medicaid eligibility determination. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

