
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 the states' ability
4 to identify and collect from liable third party payors that are
5 legally responsible to pay claims primary to medicaid.

6 Act 103, Session Laws of Hawaii 2009, codified as chapter
7 431L, Hawaii Revised Statutes, ensures the State's compliance
8 with the requirements of P.L. 109-171.

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

14 Section 431L-2.5, Hawaii Revised Statutes, requires the
15 health care insurer to share information on an individual basis
16 at the State's request. This Act requires all commercial health
17 care insurers operating in Hawaii to also share with the
18 department of human services a listing of their members on a



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

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

11 In the current economic climate of decreased state revenues
12 and the unfortunate necessity of reducing medical assistance
13 benefits, identifying areas to decrease expenditures with
14 minimal impact on the public becomes increasingly important.
15 Despite budget cuts and realignments, it is important to strive
16 to maintain the level of services that are provided to the
17 neediest populations in the State.

18 The purpose of this Act is to require all commercial health
19 care insurers operating in Hawaii to share with the department
20 of human services, on a timely basis, a listing of their members
21 for medicaid eligibility determination. This will improve
22 medicaid program integrity and ensure that medicaid is the payor



1 of last resort and that funding for the medicaid program is used
2 to provide health insurance coverage to those who really need
3 it.

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

6 " ~~[+]§431L-2.5[+]~~ **Insurer requirements.** Any health insurer
7 as identified in section 431L-1 shall:

8 (1) Provide, with respect to individuals who are eligible
9 for, or are provided, medical assistance under Title
10 42 United States Code section 1396a (section 1902 of
11 the Social Security Act), as amended, upon the request
12 of the State, information to determine during what
13 period the individual or the individual's spouse or
14 dependents may be or may have been covered by a health
15 insurer and the nature of the coverage that is or was
16 provided by the health insurer, including the name,
17 address, and identifying number of the plan in a
18 manner prescribed by the State;

19 (2) Provide to the State a quarterly report listing its
20 members for a cross-reference check of prospective and
21 current medicaid beneficiaries, including the minimum
22 data necessary to verify continuing eligibility for



1 persons receiving health care insurance through the
2 medicaid program, such as first and last name, date of
3 birth, and social security number. The data fields
4 and electronic format of the member listing shall be
5 determined by the department of human services;

6 ~~[(2)]~~ (3) Accept the State's right of recovery and the
7 assignment to the State of any right of an individual
8 or other entity to payment from the party for a health
9 care item or service for which payment has been made
10 for medical assistance under Title 42 United States
11 Code section 1396a (section 1902 of the Social
12 Security Act);

13 ~~[(3)]~~ (4) Respond to any inquiry by the State regarding a
14 claim for payment for any health care item or service
15 that is submitted not later than three years after the
16 date of the provision of the health care item or
17 service; and

18 ~~[(4)]~~ (5) Agree not to deny a claim submitted by the State
19 solely on the basis of the date of submission of the
20 claim, the type or format of the claim form, or a
21 failure to present proper documentation at the point-
22 of-sale that is the basis of the claim, if:



1 (A) The claim is submitted by the State within the
2 three-year period beginning on the date on which
3 the health care item or service was furnished;
4 and

5 (B) Any action by the State to enforce its rights
6 with respect to the claim is commenced within six
7 years of the State's submission of the claim."

8 SECTION 3. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 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. Effective July 1, 2012. (HB2536 HD1)

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