

STAND. COM. REP. NO. 1100

Honolulu, Hawaii

APR 01 2013

RE: S.R. No. 91
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.R. No. 91 entitled:

"SENATE RESOLUTION REQUESTING THE INSURANCE COMMISSIONER TO CREATE A WORKING GROUP TO STUDY INSURANCE RECOUPMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to request the Insurance Commissioner to create a working group to study insurance recoupment.

Your Committee received testimony in support of this measure from seven individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Healthcare Association of Hawaii, and Hawaii Association of Health Plans.

Your Committee finds that insurance recoupment occurs when a health insurance plan pays benefits to providers and later seeks reimbursement for the benefits, after the health insurance plan determines that the benefits were paid out in error. Although health care providers in Hawaii have a time limit in which to submit claims to health insurance plans, there is no similar time limit that prevents health insurance plans from attempting to recoup funds previously paid to health care providers.

Your Committee further finds that thirty states and the District of Columbia have passed legislation limiting the time during which a health insurance plan may take money back for



services that have already been provided. Time limits for insurance recoupment in these jurisdictions are between six months to sixty months, with the average time frame ranging from twelve to twenty-four months.

Your Committee additionally finds that assessing the issues surrounding insurance recoupment is paramount to maintaining a robust and sustainable health care system. The working group created by this measure would study the establishment of a time limit to initiate any recoupment and review how other states mandate recoupment. This will help to increase quality of care and reduce health care costs.

Your Committee notes that although the findings of this measure focus on Medicaid reimbursement, the relevant issues related to insurance recoupment affect all health insurance plans in Hawaii. Therefore, amendments to the findings in this measure are necessary to clarify the overall issues related to insurance recoupment, rather than focusing on insurance recoupment relative to Medicaid reimbursement.

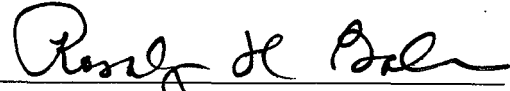
Accordingly, your Committee has amended this measure by:

- (1) Amending the legislative findings so that they relate to insurance recoupment by health insurance plans, rather than focusing on insurance recoupment relative to Medicaid reimbursement;
- (2) Amending the membership of the working group and the list of agencies receiving a certified copy of this measure; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 91, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 91, S.D. 1.



Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,

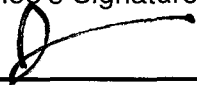


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

| | | | | |
|--|--|-------------------------|-----|----------|
| Bill / Resolution No.:* SR 91 | Committee Referral: CPN, WAM | Date: 3/27/12 | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| BAKER, Rosalyn H. (C) | ✓ | | | |
| GALUTERIA, Brickwood (VC) | ✓ | | | |
| NISHIHARA, Clarence K. | ✓ | | | |
| SOLOMON, Malama | | | | ✓ |
| TANIGUCHI, Brian T. | ✓ | | | |
| WAKAI, Glenn | ✓ | | | |
| SLOM, Sam | | | | ✓ |
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| TOTAL | 5 | | | 2 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature:  | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes