

Honolulu, Hawaii

FEB 19 2016

RE: S.B. No. 2667

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committees on Commerce, Consumer Protection, and Health and Human Services, to which was referred S.B. No. 2667 entitled:

"A BILL FOR AN ACT RELATING TO INSURANCE,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require health insurers to promptly pay clean claims for services; and
- (2) Repeal the exemption of Medicaid claims from the clean claims definition.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Healthcare Association of Hawaii, and The Queen's Health Systems. Your Committees received comments on this measure from the Department of Human Services and 'Ohana Health Plan.

Your Committees find that a claim is "clean" when a provider has submitted complete and undisputed information for an insurer to make a payment for a service provided on a covered benefit. Your Committees further find that prompt payment of claims is vital to the operations of health care providers who rely on timely reimbursement. Delays in cash flow can jeopardize operations for all health care providers, but are especially problematic for smaller providers and those that care for a disproportionately high share of Medicaid patients.



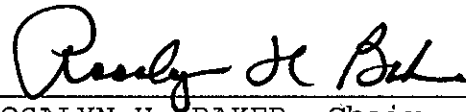
Your Committees additionally find that under existing law, insurers must pay non-Medicaid clean claims within fifteen days of receipt of an electronic claim and within thirty days of receipt of a paper claim. However, Medicaid insurers do not have to follow these guidelines. Accordingly, this measure creates parity under the State's clean claims law and requires Medicaid insurers to promptly pay providers caring for Medicaid enrollees.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2667 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Commerce,  
Consumer Protection, and Health  
and Human Services,



SUZANNE CHUN OAKLAND, Chair

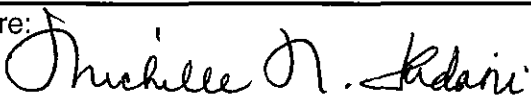


ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2667	CPH/HMS, WAM	2-16-16		
<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 checked="" type="checkbox"/> Pass, unamended 2312	<input 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)	✓			
KIDANI, Michelle N. (VC)	✓			
ESPERO, Will				✓
IHARA, Jr., Les				✓
NISHIHARA, Clarence K.				✓
RUDERMAN, Russell E.	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>4</b>			<b>3</b>
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

The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Human Services**  
**HMS**

Bill / Resolution No.:	Committee Referral:	Date:		
SB 2667	CPH/HMS, WAM	2/16/16		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	X			
RIVIERE, Gil (VC)	X			
GREEN, Josh	X			
HARIMOTO, Breene	X			
RUDERMAN, Russell E.	X			
THIELEN, Laura H.	X			
SLOM, Sam	X			
<b>TOTAL</b>	7	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; margin-left: 150px;"> </div>				
<b>Distribution:</b> Original                    Yellow                    Pink                    Goldenrod File with Committee Report  Clerk's Office          Drafting Agency      Committee File Copy				

\*Only one measure per Record of Votes