
A BILL FOR AN ACT

RELATING TO MEDICAID THIRD PARTY LIABILITY.

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

1 SECTION 1. The legislature finds that section 202 of the
2 Consolidated Appropriations Act, 2022, amended section
3 1902(a)(25)(I) of the Social Security Act to require state
4 medicaid programs to have state laws in place that bar
5 responsible third-party payers, other than Medicare plans, from
6 refusing payment for an item or service solely on the basis that
7 the item or service did not receive prior authorization under
8 the third-party payer's rules. The amendments also modified the
9 requirement for a third-party payer to respond to a state
10 inquiry regarding a health claim that is submitted no later than
11 three years after the provision of the item or service to
12 specify that the third party must respond within sixty days of
13 receiving the inquiry.

14 Accordingly, the purpose of this Act is to amend state law
15 to comply with the federal requirements amended pursuant to
16 section 202 of the Consolidated Appropriations Act, 2022.



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

3 "§431L-2.5 Insurer requirements. Any health insurer as
4 identified in section 431L-1 shall:

5 (1) Provide upon the request of the State, information for
6 all of its members to determine during what period the
7 individual or the individual's spouse or dependents
8 may be or may have been covered by a health insurer
9 and the nature of the coverage that is or was provided
10 by the health insurer; including the name, address,
11 and identifying number of the plan in a manner
12 prescribed by the State;

13 (2) Beginning in 2014, provide to an independent, third
14 party entity, [nø] not more than quarterly, a report
15 listing its members. The third party entity shall
16 match this report with one provided by the department
17 of human services and provide the department of human
18 services with third party liability information for
19 medical assistance recipients. The department of
20 human services shall determine the minimum data
21 required to ensure the validity of matches, which may



1 include name, date of birth, and social security
2 number, as available. The information provided by the
3 health insurers to the third party entity shall not be
4 used for any purpose other than that specified in this
5 chapter. The department of human services shall
6 provide for representation by private health insurers
7 in evaluating the qualifications of potential third
8 party entities and determining the minimum data fields
9 for matching;

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

17 (4) Respond to any inquiry by the State within sixty
18 calendar days regarding a health care claim for
19 [~~payment for~~] any health care item or service that is
20 submitted [~~not~~] no later than three years after the



1 date of the provision of the health care item or
2 service; ~~and~~

3 (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[~~7~~]; the type or format of the claim form[~~7~~];
6 a failure to present proper documentation at the
7 point-of-sale that is the basis of the claim[~~7~~]; or,
8 in the case of a responsible third party, a failure to
9 obtain a prior authorization for the item or service
10 for which the claim is being submitted if:

11 (A) The claim is submitted by the State within the
12 three-year period beginning on the date on which
13 the health care item or service was furnished;
14 and

15 (B) Any action by the State to enforce its rights
16 with respect to the claim is commenced within six
17 years of the State's submission of the claim[~~7~~];
18 and

19 (6) Agree, when a responsible third party requires prior
20 authorization for an item or service furnished to an
21 individual eligible to receive medical assistance



1 under the state medical assistance program, to accept
2 authorization provided by the state medical assistance
3 program that the item or service is covered under the
4 state medical assistance program for that individual,
5 as if the authorization were the prior authorization
6 made by the third party for the item or service."

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

9 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Medicaid; Third-Party Liability

Description:

Clarifies third-party liability provisions for medical assistance program claims for payment as required under the federal Consolidated Appropriations Act, 2022. (SD1)

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