

JAN 17 2020

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# A BILL FOR AN ACT

RELATING TO MEDICAL SERVICE BILLING.

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

1           SECTION 1. The legislature finds that unanticipated  
2 medical billing can cause significant financial hardship to  
3 patients. Unanticipated medical billing, also known as surprise  
4 medical billing, arises when a patient receives unanticipated  
5 out-of-network care from a non-participating provider for  
6 emergency or other medical services. The medical services may  
7 be from a health care provider or a health care facility that is  
8 outside of the patient's insurer's network and, as such, the  
9 patient's health care plan ends up paying less than the patient  
10 expected for the medical services received.

11           The legislature also finds that in the case of surprise  
12 medical billing for emergency services, patients often do not  
13 have the ability to select the emergency room, treating  
14 physician and other medical specialists, or ambulance provider.  
15 Furthermore, when physician groups and insurers are unable to  
16 resolve reimbursement disputes, patients are saddled with high  
17 medical bills, sometimes resulting in significant financial



1 hardship from the higher out-of-network charges and medical  
2 reimbursements.

3 The purpose of this Act is to protect patient access to  
4 health care by addressing unanticipated medical coverage gaps  
5 for patients who receive emergency services from non-  
6 participating providers.

7 SECTION 2. Chapter 432E, Hawaii Revised Statutes, is  
8 amended by adding a new section to be appropriately designated  
9 and to read as follows:

10 "§432E- Emergency services; billing. (a) When an  
11 enrollee in a managed care plan receives emergency services from  
12 a non-participating provider, the non-participating provider  
13 shall not be entitled to bill the enrollee, managed care plan,  
14 or any other entity any amount in excess of any applicable  
15 charges the provider would be entitled to charge a medicare  
16 enrollee who receives such services, including, without  
17 limitation, any copayment, coinsurance, or deductible that would  
18 be owed by a medicare enrollee to the non-participating provider  
19 for the services.



1        (b) The non-participating provider shall accept payment of  
2 the amounts under subsection (a) as payment in full for the  
3 emergency services rendered.

4        (c) To the extent that the emergency services are covered  
5 under the enrollee's managed care plan, any liability the  
6 managed care plan may have for the services shall not exceed the  
7 amount the non-participating provider is entitled to bill under  
8 this section.

9        (d) A health care provider or facility shall bill a health  
10 carrier only for a health intervention service that is a medical  
11 necessity. The health care provider or facility shall not bill  
12 or otherwise attempt to collect from an enrollee any amount not  
13 paid by a health carrier for a health intervention service that  
14 is a medical necessity, other than an applicable copayment,  
15 coinsurance, or deductible.

16        (e) For the purposes of this section, "non-participating  
17 provider" means a facility, health care provider, or health care  
18 professional that is not subject to a written agreement with the  
19 enrollee's health carrier governing the provision of emergency  
20 services."



# S.B. NO. 2423

1 SECTION 3. New statutory material is underscored.

2 SECTION 4. This Act shall take effect on January 1, 2021.

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INTRODUCED BY: Randy D. Baker

Kurt Favella

Stacy

Hauntel

T. J. O'Connell

J. Keith Gosh

Clarence D. Fisher

[Signature]

Yu Dong

Kal Nho



# S.B. NO. 2423

**Report Title:**

Emergency Services; Medical Necessity; Billing; Non-Participating Providers; Managed Care Plans

**Description:**

Establishes billing requirements for unanticipated medical billing and unanticipated coverage gaps of patients for out-of-network emergency services received from non-participating providers. Specifies the circumstances in which health care providers and facilities can bill health carriers and enrollees for health intervention services that are medical necessities. Effective 1/1/2021.

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

