
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 nonparticipating 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:

5 (1) Addressing unanticipated medical coverage gaps for
6 patients who receive emergency services from
7 nonparticipating providers; and

8 (2) Requiring the use of dispute resolution when a dispute
9 exists as to the reimbursement of a nonparticipating
10 provider.

11 SECTION 2. Chapter 432E, Hawaii Revised Statutes, is
12 amended by adding two new sections to be appropriately
13 designated and to read as follows:

14 "§432E- Emergency services; billing. (a) When an
15 enrollee in a managed care plan receives emergency services from
16 a nonparticipating provider, the nonparticipating provider shall
17 not be entitled to bill the enrollee. The managed care plan
18 shall be responsible to fulfill its obligation to the enrollee
19 and enter into negotiation with the nonparticipating provider.
20 The managed care plan and nonparticipating provider shall come
21 to an agreement within thirty days of issuance of an invoice for



1 the emergency services provided as to the amount the
2 nonparticipating provider shall be compensated. If no agreement
3 is reached within thirty days, the managed care plan shall pay
4 the nonparticipating provider the amount billed by the
5 nonparticipating provider.

6 (b) The nonparticipating provider shall accept payment of
7 the amounts under subsection (a) as payment in full for the
8 emergency services rendered.

9 (c) 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 (d) For the purposes of this section, "nonparticipating
17 provider" means a licensed or certified provider of health care
18 services or benefits, including mental health services and
19 health care supplies, who has not entered into an agreement with
20 a health carrier to provide those services to enrollees.

21 §432E- Dispute resolution. (a) When the



1 nonparticipating health care provider and the managed care plan
2 are unable to reach an agreement as to the amount to be billed
3 for the services provided by the nonparticipating provider, the
4 matter shall be submitted to the commissioner for binding
5 arbitration or mediation.

6 (b) The nonparticipating provider and managed care plan
7 shall agree on whether the matter shall be subject to binding
8 arbitration or mediation within forty-five days of notification
9 by the managed care plan to the nonparticipating provider that
10 the managed care plan disagrees with the amount billed for the
11 services rendered to the enrollee. The commissioner shall issue
12 a decision on a submitted case within forty-five days of the
13 commencement of the binding arbitration or mediation process.

14 (c) The commissioner may adopt rules to enact this
15 section.

16 (d) This section shall apply to emergency and non-emergency
17 services provided by a nonparticipating provider."

18 SECTION 3. New statutory material is underscored.

19 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Emergency Services; Medical Necessity; Billing; Nonparticipating Providers; Managed Care Plans; Dispute Resolution

Description:

Establishes billing requirements for unanticipated medical billing and unanticipated coverage gaps of patients for out-of-network emergency services received from nonparticipating 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. Requires the use of dispute resolution when a dispute exists as to the reimbursement of a nonparticipating provider. Takes effect on 7/1/2050. (HD1)

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