
A BILL FOR AN ACT

RELATING TO WORKERS' COMPENSATION.

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

1 SECTION 1. Chapter 386, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§386- Medical expenses; payment deadlines. (a) All
5 medical expenses for which the insurer or self-insured employer
6 is liable, upon receipt by the insurer or self-insured employer
7 of all reports and documents incident to the services, shall be
8 subject to the deadlines established by this section.

9 (b) Except as provided in subsection (c), each insurer or
10 self-insured employer shall pay each written billing and report
11 within sixty days after receipt by the insurer or self-insured
12 employer. If payment is not made within this period, a penalty
13 shall be assessed consisting of that portion of the billed sum
14 then unreasonably unpaid increased by ten per cent, together
15 with interest thereon at the rate of seven per cent per year
16 retroactive to the date of receipt of the bill and report by the
17 insurer or self-insured employer; provided that this penalty



1 shall not apply if the injured employee was an employee of a
2 government entity and the work injury related from that
3 government employment. If the insurer or self-insured employer,
4 within the sixty-day period, contests the reasonableness and
5 necessity for incurring the fees, services, and expenses,
6 payment shall be made within twenty days of the service of an
7 order of the appellate board or director directing payment;
8 provided that the penalty in this subsection shall not apply if:

9 (1) The insurer or self-insured employer pays the provider
10 that portion of the charges that do not exceed the
11 amount deemed reasonable pursuant to subsection (e)
12 within sixty days of receipt of the report and
13 itemized billing; and

14 (2) The insurer or self-insured employer prevails.

15 (c) If the provider contests the amount paid, the provider
16 shall request a second review within ninety days of the service
17 of the explanation of review. The request for a second review
18 shall be submitted to the employer on a form prescribed by the
19 director and shall include all of the following:



- 1 (1) The date of the explanation of review and the claim
- 2 number or other unique identifying number provided on
- 3 the explanation of review;
- 4 (2) The party or parties requesting the service;
- 5 (3) Any item and amount in dispute;
- 6 (4) The additional payment requested and the reason
- 7 therefor; and
- 8 (5) Any additional information requested in the original
- 9 explanation of review and any other information
- 10 provided in support of the additional payment
- 11 requested.

12 Within fourteen days of the request for second review, the
13 employer shall respond with a final written determination on
14 each of the items or amounts in dispute, including whether
15 additional payment will be made.

16 If the provider contests the amount paid and the provider
17 does not request a second review within ninety days of the
18 service of the explanation of review, the bill shall be deemed
19 withdrawn on the ninety-first day.

20 (d) If the insurer or self-insured employer denies all or
21 a portion of the amount billed for any reason other than the



1 amount to be paid pursuant to the fee schedules in effect on the
2 date of service, the provider shall object to the denial within
3 ninety days of the service of the explanation of review. If the
4 provider objects to the denial within ninety days of the service
5 of the explanation of review, the employer shall file a petition
6 and a declaration of readiness to proceed with the appeals board
7 within sixty days of service of the objection. If the employer
8 prevails before the appeals board, the appeals board shall order
9 the physician to reimburse the employer for the amount of the
10 paid charges found to be unreasonable.

11 If the provider does not object to the denial within ninety
12 days of the service of the explanation of review, the bill shall
13 be deemed withdrawn on the ninety-first day. If the insurer or
14 self-insured employer fails to file a petition and a declaration
15 of readiness to proceed with the appeals board within sixty days
16 of service of the objection, the denial shall be deemed
17 withdrawn on the sixty-first day.

18 (e) If requested by the employee or the dependents of a
19 deceased employee, within twenty days from the filing of an
20 order of the appeals board directing payment, and where payment
21 is not made within that period, that portion of the billed sum



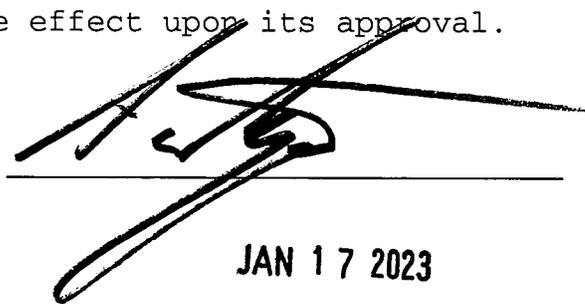
1 then unpaid shall be increased by ten per cent, together with
2 interest thereon at the rate of seven per cent per year
3 retroactive to the date of the filing of the order of the board
4 directing payment.

5 (f) The insurer or self-insured employer shall notify in
6 writing the provider of the services, the employee, or if
7 represented, the employee's attorney, if the insurer or self-
8 insured employer contests the reasonableness or necessity of
9 incurring the expenses, and shall indicate the reasons
10 therefor."

11 SECTION 2. This Act does not affect rights and duties that
12 matured, penalties that were incurred, and proceedings that were
13 begun before its effective date.

14 SECTION 3. New statutory material is underscored.

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

16
INTRODUCED BY: 
JAN 17 2023



H.B. NO. 83

Report Title:

Workers' Compensation; Payment; Contested Billing

Description:

Establishes deadlines for paying or contesting provider bills related to workers' compensation injury treatment.

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

