

JAN 23 2025

A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 SECTION 1. Chapter 431:14G, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§431:14G- Contracts; physicians; fee for service
5 plans. Notwithstanding any law to the contrary, after
6 December 31, 2025, each new or renewed contract between a mutual
7 benefit society and a physician for a fee for service plan shall
8 provide for:

- 9 (1) The reimbursement of the physician's increased
10 overhead costs, cost of living increases, and
11 increased costs caused by inflation; and
12 (2) An increase of ten per cent in the rate for
13 reimbursement of services after each five-year period
14 that the physician is in service."

15 SECTION 2. This Act does not affect rights and duties that
16 matured, penalties that were incurred, and proceedings that were
17 begun before its effective date.



1 SECTION 3. New statutory material is underscored.

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

3

INTRODUCED BY:

Kurt Faulk



S.B. NO. 1645

Report Title:

Insurance; Physicians; Contracts; Fee for Service Plans;
Reimbursement

Description:

Provides that after 12/31/2025, each new or renewed contract between a mutual benefit society and a physician for a fee for service plan shall provide for: (1) The reimbursement of the physician's increased overhead costs, cost of living increases, and increased costs caused by inflation; and (2) An increase of 10% in the reimbursement rate of services after each 5-year period that the physician is in service.

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