

A BILL FOR AN ACT

RELATING TO HEALTH.

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

1 SECTION 1. Section 431:13-108, Hawaii Revised Statutes, is
2 amended by amending subsection (g) and (h) to read as follows:

3 "(g) Notwithstanding section 478-2 to the contrary,
4 ~~[interest shall be allowed at a rate of fifteen per cent a year~~
5 ~~for money owed by an entity on payment of a claim exceeding]~~ an
6 entity who exceeds the applicable time limitations for payment
7 of a claim under this section~~[7]~~ shall be subject to a late fee
8 as follows:

9 (1) For an uncontested claim:

10 (A) Filed in writing~~[7 interest from the first~~
11 ~~calendar day]~~:

12 (i) A fee of \$25 for a payment received up to
13 thirty days after the thirty-day period in
14 subsection (b); ~~[or]~~

15 (ii) A fee of \$50 for a payment received between
16 thirty-one days and sixty days after the
17 thirty-day period in subsection (b); or



1 (iii) A fee of either \$100 or five per cent of the
2 money owed, whichever is greater, for a
3 payment received sixty-one or more days
4 after the thirty-day period in subsection
5 (b); or

6 (B) Filed electronically [~~interest from the first~~
7 ~~calendar day~~]:

8 (i) A fee of \$25 for a payment received up to
9 thirty days after the fifteen-day period in
10 subsection (b);

11 (ii) A fee of \$50 for a payment received between
12 thirty-one days and sixty days after the
13 fifteen-day period in subsection (b); or

14 (iii) A fee of either \$100 or five per cent of the
15 money owed, whichever is greater, for a
16 payment received sixty-one or more days
17 after the fifteen-day period in subsection
18 (b);

19 (2) For a contested claim filed in writing:

20 (A) For which notice was provided under subsection

21 (c) [~~interest from~~]:



1 (i) A fee of \$25 for a payment received up to
2 thirty days after the first calendar day
3 thirty days after the date the additional
4 information is received; [or]

5 (ii) A fee of \$50 for a payment received between
6 the sixty-one calendar days and ninety
7 calendar days after the date the additional
8 information is received; or

9 (iii) A fee of either \$100 or five per cent of the
10 money owed, whichever is greater, for a
11 payment received one hundred twenty or more
12 calendar days after the date the additional
13 information is received; or

14 (B) For which notice was not provided within the time
15 specified under subsection (c) [~~interest from~~
16 ~~the first calendar day~~]:

17 (i) A fee of \$25 for a payment received up to
18 thirty days after the claim is received;
19 [or]



1 (ii) A fee of \$50 for a payment received between
2 thirty-one days and sixty days after the
3 date the claim is received; or

4 (iii) A fee of \$100 either \$100 or five percent of
5 the money owed, whichever is greater, for a
6 payment received sixty-one or more days
7 after the date the claim is received; or

8 (3) For a contested claim filed electronically:

9 (A) For which notice was provided under subsection

10 (c) [~~7~~, ~~interest from~~]:

11 (i) A fee of \$25 for a payment received up to
12 thirty days after the first calendar day
13 fifteen days after the additional
14 information is received; [~~or~~]

15 (ii) A fee of \$50 for a payment received between
16 the forty-six calendar days and seventy-five
17 calendar day after the date the additional
18 information is received; or

19 (iii) A fee of either \$100 or five per cent of the
20 money owed, whichever is greater, for a
21 payment received one hundred five or more



1 calendar days after the date the additional
2 information is received; or

3 (B) For which notice was not provided within the time
4 specified under subsection (c) [~~, interest from~~
5 ~~the first calendar day~~]:

6 (i) A fee of \$25 for a payment received up to
7 thirty days after the claim is received[.]

8 (ii) A fee of \$50 for a payment received between
9 thirty-one days and sixty days after the
10 date the claim is received; or

11 (iii) A fee of either \$100 or five per cent of the
12 money owed, whichever is greater, for a
13 payment received sixty-one or more days
14 after the date the claim is received.

15 The commissioner may [~~suspend~~] waive the [~~accrual of~~
16 ~~interest~~] payment of any fees established by this section if the
17 commissioner determines that the entity's failure to pay a claim
18 within the applicable time limitations was the result of a major
19 disaster or of an unanticipated major computer system failure.
20 Total fees for any late payment accrued under this section shall



1 not exceed fifteen per cent of the original amount of money owed
2 to the provider.

3 (h) Any [~~interest that accrues in a sum of at least \$2 on~~
4 ~~a delayed claim~~] late fee that accrues on a delayed claim [~~in~~]
5 pursuant to this section shall be automatically added by the
6 entity to the amount of the unpaid claim due the provider."

7 SECTION 2. This Act does not affect rights and duties that
8 matured, penalties that were incurred, and proceedings that were
9 begun before its effective date.

10 SECTION 3. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect on July 1, 2025.

13

INTRODUCED BY: _____



JAN 22 2025



H.B. NO. 1275

Report Title:

Health Insurers; Mutual Benefit Societies; Health Maintenance Organizations; Delayed Claims; Late Fees

Description:

Establishes a schedule of late fees to be added to the original unpaid claim amount if a health insurer, mutual benefit society, or health maintenance organization fails to pay a provider within the required time.

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

