
A BILL FOR AN ACT

RELATING TO MEDICAL BILLING.

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

1 SECTION 1. The legislature finds that timely payment of
2 healthcare insurance claims is essential to the financial
3 stability of healthcare providers and to maintaining patients'
4 access to care throughout the State. Delayed payment of "clean"
5 claims that are complete, well-documented, and uncontested
6 shifts the financial risk from insurers to healthcare providers,
7 often forcing medical practices to borrow funds to meet payroll
8 and operating expenses and threatening the availability of
9 healthcare services, particularly in rural and underserved
10 communities.

11 The legislature further finds that under Hawaii's existing
12 prompt payment statute, section 431:13-108, Hawaii Revised
13 Statutes, clean claims must be reimbursed within thirty days or
14 less, and clean claims that are not timely reimbursed are
15 subject to an annual interest rate of fifteen per cent.
16 However, enforcement of the statute is fragmented and largely
17 driven by complaints. In addition, the statute lacks a



1 dedicated regulatory authority with specialized expertise in
2 healthcare insurance to provide proactive oversight.

3 Accordingly, the purpose of this Act is to establish the
4 office of payment monitoring within the department of commerce
5 and consumer affairs to enforce, monitor, audit, and collect
6 data regarding the prompt payment obligations of health or
7 sickness insurers.

8 SECTION 2. Chapter 431, Hawaii Revised Statutes, is
9 amended by adding a new section to article 13, part I, to be
10 appropriately designated and to read as follows:

11 "§431:13- Office of payment monitoring. (a) There is
12 established the office of payment monitoring within the
13 department of commerce and consumer affairs for administrative
14 purposes.

15 (b) The office of payment monitoring shall:
16 (1) Proactively monitor the status of reimbursements under
17 section 431:13-108;
18 (2) Enforce penalties for clean claim reimbursements that
19 are accruing interest under section 431:13-108; and
20 (3) Collect data on and conduct audits of reimbursements
21 made by health or sickness insurers.



1 (c) The governor shall appoint an administrator of the
2 office of payment monitoring in the manner provided by
3 section 26-34. No individual shall be employed by any health or
4 sickness insurer, claims administrator, or entity subject to the
5 jurisdiction of the office of payment monitoring within two
6 years of the individual's last day of employment as the
7 administrator of the office of payment monitoring.

8 (d) The office of payment monitoring shall submit a report
9 to the legislature no later than twenty days prior to the
10 convening of each regular session. The report shall include:
11 (1) A summary of the office's activities for the prior
12 fiscal year;
13 (2) A summary of the status of reimbursements under
14 section 431:13-108 for the prior fiscal year; and
15 (3) Any proposed legislation."

16 SECTION 3. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so
18 much thereof as may be necessary for fiscal year 2026-2027 for
19 the establishment and functions of the office of payment
20 monitoring, including the hiring of full-time permanent
21 (FTE) positions.



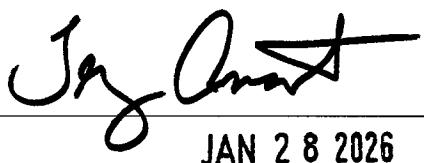
1 The sum appropriated shall be expended by the department of
2 commerce and consumer affairs for the purposes of this Act.

3 SECTION 4. New statutory material is underscored.

4 SECTION 5. This Act shall take effect on July 1, 2026.

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INTRODUCED BY:


JAN 28 2026



H.B. NO. 2536

Report Title:

Health Insurance; DCCA; Office of Payment Monitoring; Prompt Payment; Reimbursement; Appropriation

Description:

Establishes the Office of Payment Monitoring within the Department of Commerce and Consumer Affairs to monitor and enforce prompt payment of clean claims for reimbursement from health or sickness insurers. Appropriates moneys.

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