

ACT 59

S.B. NO. 1411

A Bill for an Act Relating to Medicaid Third Party Liability.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that section 202 of division P of the Consolidated Appropriations Act, 2022, amended section 1902(a)(25)(I) of the Social Security Act to require state medicaid programs to have state laws in place that bar responsible third-party payers, other than medicare plans, from refusing payment for an item or service solely on the basis that the item or service did not receive prior authorization under the third-party payer's rules. The amendments also modified the requirement for a third-party payer to respond to a state inquiry regarding a health claim that is submitted no later than three years after the provision of the item or service to specify that the third party must respond within sixty days of receiving the inquiry.

Accordingly, the purpose of this Act is to amend state law to comply with the federal requirements amended pursuant to section 202 of division P of the Consolidated Appropriations Act, 2022.

SECTION 2. Section 431L-2.5, Hawaii Revised Statutes, is amended to read as follows:

“§431L-2.5 Insurer requirements. Any health insurer as identified in section 431L-1 shall:

- (1) Provide upon the request of the State, information for all of its members to determine during what period the individual or ~~the~~ individual's spouse or dependents may be or may have been covered by a health insurer and the nature of the coverage that is or was provided by the health insurer, including the name, address, and identifying number of the plan in a manner prescribed by the State;
- (2) Beginning in 2014, provide to an independent, third party entity, no more than quarterly, a report listing its members. The third party entity shall match this report with one provided by the department of human services and provide the department of human services with third party liability information for medical assistance recipients. The department of human services shall determine the minimum data required to ensure the validity of matches, which may include name, date of birth, and social security number, as available. The information provided by the health insurers to the third party entity shall not be used for any purpose other than that specified in this chapter. The department of human services shall provide for representation by private health insurers in evaluating the qualifications of potential third party entities and determining the minimum data fields for matching;

- (3) Accept the State's right of recovery and the assignment to the State of any right of an individual or other entity to payment from the party for a health care item or service for which payment has been made for medical assistance under title 42 United States Code section 1396a (section 1902 of the Social Security Act);
- (4) Respond to any inquiry by the State within sixty calendar days regarding a payment of a claim for ~~[payment for]~~ any health care item or service that is submitted ~~[not]~~ no later than three years after the date of the provision of the health care item or service; ~~[and]~~
- (5) Agree not to deny a claim submitted by the State solely on the basis of the date of submission of the claim~~[-]~~; the type or format of the claim form~~[-, or]~~; a failure to present proper documentation at the point-of-sale that is the basis of the claim~~[-]~~; or, in the case of a responsible third party, a failure to obtain a prior authorization for the item or service for which the claim is being submitted if:
 - (A) The claim is submitted by the State within the three-year period beginning on the date on which the health care item or service was furnished; and
 - (B) Any action by the State to enforce its rights with respect to the claim is commenced within six years of the State's submission of the claim~~[-]~~; and
- (6) Agree, when a responsible third party requires prior authorization for an item or a service furnished to an individual eligible to receive medical assistance under the state medical assistance program, to accept authorization provided by the state medical assistance program that the item or service is covered under the state medical assistance program for that individual, as if the authorization were the prior authorization made by the third party for the item or service."

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

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

(Approved May 15, 2025.)