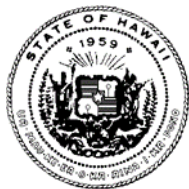


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February 3, 2025

TO: The Honorable Senator San Buenaventura, Chair
Senate Committee on Health and Human Services

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 1411 – RELATING TO MEDICAID THIRD PARTY LIABILITY.**

Hearing: Wednesday, February 5, 2025, 1:00 p.m.
Conference Room 225 & Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this administration bill.

PURPOSE: The purpose of the bill is to conform state law to federal law by increasing accountability and transparency under new Medicaid requirements for health insurers and other third parties that are legally liable for health care services received by Medicaid beneficiaries to pay for those services.

State law needs to be updated to conform to new third-party liability requirements included in the Consolidated Appropriations Act, 2022 (Public Law 117-103). This bill requires liable third-party payers to be responsible for reimbursing Medicaid providers based on the standards of the Medicaid program and prohibits them from denying payment based on other standards. This bill will allow DHS to submit a federally required Medicaid State Plan Amendment attesting the State is following Public Law 117-103, which it cannot do without the amendments to section 431L-2.5, HRS.

Thank you for the opportunity to testify in strong support of this measure.