
A BILL FOR AN ACT

RELATING TO THE PATIENTS' BILL OF RIGHTS AND RESPONSIBILITIES
ACT.

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

1 SECTION 1. Chapter 432E, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§432E- Unfair or deceptive acts or practices in the
5 managed care plan business. (a) The following are defined as
6 unfair or deceptive acts or practices in the managed care plan
7 business and shall be prohibited:

8 (1) Canceling or refusing to renew an enrollment or
9 subscription in the managed care plan because of the
10 enrollee's or subscriber's health status;

11 (2) Rescinding or modifying an authorization for a
12 specific type of treatment by a provider after the
13 provider renders or begins rendering the health care
14 service in good faith and pursuant to the managed care
15 plan's authorization;

16 (3) Changing the premium rates, copayments, coinsurances,
17 or deductibles of a contract after receipt of payment



1 by the managed care plan of the premium for the first
2 month of coverage in accordance with the contract
3 effective date; provided that changes shall be allowed
4 if authorized or required in the group contract, if
5 the contract was agreed to under a preliminary
6 agreement that states that it is subject to the
7 execution of a definitive agreement, or if the managed
8 care plan and the contract-holder mutually agree in
9 writing;

10 (4) Engaging in post-claims underwriting. As used in this
11 paragraph, "post-claims underwriting" means the
12 rescinding, canceling, or limiting of a managed care
13 plan contract due to the managed care plan's failure
14 to complete medical underwriting and resolve all
15 reasonable questions arising from written information
16 that the managed care plan requires enrollees or
17 subscribers to submit before issuing the managed care
18 plan contract. This paragraph shall not limit a
19 managed care plan's remedies upon a showing of an
20 enrollee's or subscriber's wilful misrepresentation;
21 and



1 (5) Establishing an eligible charge for a nonparticipating
2 provider service that is different from the eligible
3 charge paid for the same service rendered by a
4 participating provider. As used in this paragraph,
5 "eligible charge" means the amount that is payable by
6 the managed care plan for a treatment, service, or
7 supply, prior to making deduction for cost-sharing.

8 (b) The commissioner, by certified mail, shall notify the
9 managed care plan of each complaint filed with the commissioner
10 under this section.

11 (c) A managed care plan shall issue a written response
12 with reasonable promptness, in no case more than fifteen working
13 days, to any notification or written inquiry made by the
14 commissioner regarding a complaint. The response shall be more
15 than an acknowledgment that the commissioner's communication has
16 been received and shall completely and substantively address the
17 complaint or concerns stated in the communication.

18 (d) If it is found, after notice and an opportunity to be
19 heard, that an insurer has violated this section, the violation
20 shall be subject to section 431:2-203.

21 (e) Evidence as to numbers and types of complaints to the
22 commissioner against a managed care plan and the commissioner's



1 complaint experience with other managed care plans shall be
2 admissible in an administrative or judicial proceeding brought
3 under this section."

4 SECTION 2. New statutory material is underscored.

5 SECTION 3. This Act shall take effect on January 1, 2009.



Report Title:

Patients' Bill of Rights and Responsibilities Act

Description:

Amends the Patients' Bill of Rights and Responsibilities Act by prohibiting certain unfair or deceptive business practices by managed care plans, such as disenrolling a person because of a medical condition. Effective January 1, 2009. (SB3015 HD2)

