

---

---

# A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1           SECTION 1. Chapter 431, Hawaii Revised Statutes, is  
2 amended by adding a new section to article 10A to be  
3 appropriately designated and to read as follows:

4           "§431:10A-       Group health care coverage; part-time  
5 employees. (a) An insurer that provides health care coverage  
6 in the state to the regular employees of any group or  
7 association shall offer the same coverage to part-time employees  
8 of that group or association; provided that           per cent of  
9 the part-time employees agree to purchase the coverage. The  
10 group or association shall not be required by this section to  
11 pay any part of the premium for that coverage.

12           (b) A group health insurer may limit periods of enrollment  
13 for part-time employees to a minimum of thirty calendar days;  
14 provided that:

15           (1) Part-time employees who experience a qualifying event  
16 shall enroll with a group health insurer within thirty  
17 days of the qualifying event; and

1       (2) Group health insurers shall be allowed to impose a  
2       one-year waiting period against part-time employees  
3       who terminate coverage for any reason. If a part-time  
4       employee terminates coverage and a one-year waiting  
5       period is imposed against the employee, a group health  
6       insurer need not reenroll the employee until the  
7       period of enrollment following the one-year waiting  
8       period.

9       For the purposes of this section:

10       "Group or association" shall not include any state or  
11       political subdivision of any state, or instrumentality thereof.

12       "Health care" includes hospitalization, surgery, medical or  
13       nursing care, drugs, or restorative appliances.

14       "Part-time employee" means a person employed by a single  
15       employer for at least \_\_\_\_\_, but less than \_\_\_\_\_ hours per  
16       week and for a continuous period of at least \_\_\_\_\_.

17       "Regular employee" means a person employed by a single  
18       employer for at least twenty hours per week.

19       "Qualifying event" means the date on which the part-time  
20       employee has been continuously employed by a single employer for  
21       a period of eighteen months."

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

4 "§432:1- Group health care coverage; part-time  
5 employees. (a) A mutual benefit society in the state whose  
6 hospital and medical service corporation contract provides  
7 health care coverage for the regular employees of any group or  
8 association shall offer the same coverage to part-time employees  
9 of that group or association; provided that per cent of  
10 the part-time employees agree to purchase the coverage. The  
11 group or association shall not be required by this section to  
12 pay any part of the premium for that coverage.

13 (b) A group health insurer may limit periods of enrollment  
14 for part-time employees to a minimum of thirty calendar days;  
15 provided that:

16 (1) Part-time employees who experience a qualifying event  
17 shall enroll with a group health insurer within thirty  
18 days of the qualifying event; and

19 (2) Group health insurers shall be allowed to impose a  
20 one-year waiting period against part-time employees  
21 who terminate coverage for any reason. If a part-time  
22 employee terminates coverage and a one-year waiting

1 period is imposed against the employee, a group health  
2 insurer need not reenroll the employee until the  
3 period of enrollment following the one-year waiting  
4 period.

5 For the purposes of this section:

6 "Group or association" shall not include any state or  
7 political subdivision of any state, or instrumentality thereof.

8 "Health care" includes hospitalization, surgery, medical or  
9 nursing care, drugs, or restorative appliances.

10 "Part-time employee" means a person employed by a single  
11 employer for at least \_\_\_\_\_, but less than \_\_\_\_\_ hours per  
12 week and for a continuous period of at least \_\_\_\_\_.

13 "Regular employee" means a person employed by a single  
14 employer for at least twenty hours per week.

15 "Qualifying event" means the date on which the part-time  
16 employee has been continuously employed by a single employer for  
17 a period of eighteen months."

18 SECTION 3. Chapter 432D, Hawaii Revised Statutes, is  
19 amended by adding a new section to be appropriately designated  
20 and to read as follows:

21 **"§432D- Group health care coverage; part-time employees.**

22 (a) A health maintenance organization that issues a policy,

1 contract, plan, or agreement in the state that provides health  
2 care coverage for the regular employees of any group or  
3 association shall offer the same coverage to part-time employees  
4 of that group or association; provided that \_\_\_\_\_ per cent of  
5 the part-time employees agree to purchase the coverage. The  
6 group or association shall not be required by this section to  
7 pay any part of the premium for that coverage.

8 (b) A group health insurer may limit periods of enrollment  
9 for part-time employees to a minimum of thirty calendar days;  
10 provided that:

11 (1) Part-time employees who experience a qualifying event  
12 shall enroll with a group health insurer within thirty  
13 days of the qualifying event; and

14 (2) Group health insurers shall be allowed to impose a  
15 one-year waiting period against part-time employees  
16 who terminate coverage for any reason. If a part-time  
17 employee terminates coverage and a one-year waiting  
18 period is imposed against the employee, a group health  
19 insurer need not reenroll the employee until the  
20 period of enrollment following the one-year waiting  
21 period.

22 For the purposes of this section:

1       "Group or association" shall not include any state or  
2 political subdivision of any state, or instrumentality thereof.

3       "Health care" includes hospitalization, surgery, medical or  
4 nursing care, drugs, or restorative appliances.

5       "Part-time employee" means a person employed by a single  
6 employer for at least                   , but less than                    hours per  
7 week and for a continuous period of at least                   .

8       "Regular employee" means a person employed by a single  
9 employer for at least twenty hours per week.

10       "Qualifying event" means the date on which the part-time  
11 employee has been continuously employed by a single employer for  
12 a period of eighteen months."

13       SECTION 4. (a) The insurance commissioner shall prepare a  
14 report of the costs and benefits of this Act. The report shall  
15 be prepared with the cooperation and assistance of the  
16 disability compensation division of the department of labor and  
17 industrial relations. The report shall include:

18       (1) An evaluation of the success of this Act in providing  
19           part-time employees with access to health care  
20           coverage;

21       (2) An evaluation of the costs to employees, employers,  
22           and insurers of providing that coverage;

1 (3) Any recommendations concerning this Act; and  
2 (4) Any other information necessary for a reasonable  
3 assessment of the costs and benefits of this Act to be  
4 made, and to allow health care coverage to be made  
5 available to part-time employees at the lowest  
6 possible cost.

7 (b) Each insurer subject to this Act shall submit, at the  
8 time and in the form prescribed by the insurance commissioner,  
9 the information deemed necessary by the insurance commissioner  
10 to complete the report required by this section. In obtaining  
11 this information, the insurance commissioner shall seek to  
12 minimize an insurer's cost of compliance.

13 (c) The insurance commissioner shall report its findings,  
14 recommendations, and any proposed legislation to the legislature  
15 no later than twenty days prior to the convening of the regular  
16 session of 2011.

17 SECTION 5. New statutory material is underscored.

18 SECTION 6. This Act shall take effect on July 1, 2020, and  
19 shall be repealed on July 1, 2011.

**Report Title:**

Group Health Insurers; Small Business; Part-time Employees

**Description:**

Requires insurers that offer health care coverage to the regular employees of any group or association to offer the same coverage to part-time employees working a certain amount of hours per week and for a minimum length of time, if a minimum percentage of the part-time employees agree to purchase coverage. Requires the insurance commissioner to submit a cost-benefit report to the legislature. Effective July 1, 2020. (SD1)