



1           §    -1   **Definitions.**  As used in this chapter:

2           "Cover Hawaii plan" means a consumer choice benefit plan  
3 approved under this chapter that guarantees payment or coverage  
4 for specified benefits provided to an enrollee.

5           "Cover Hawaii plan coverage" means health care services  
6 that are covered as benefits under a cover Hawaii plan.

7           "Cover Hawaii plan entity" means a health insurer, health  
8 maintenance organization, or health care provider-sponsored  
9 organization that develops and implements a cover Hawaii plan  
10 and is responsible for administering the plan and paying all  
11 claims for cover Hawaii plan coverage by enrollees.

12          "Cover Hawaii Plus" means a supplemental insurance product,  
13 such as for additional catastrophic coverage or dental, vision,  
14 or cancer coverage, approved under this chapter and offered to  
15 all enrollees.

16          "Department" means the department of human services.

17          "Enrollee" means an individual who has been determined to  
18 be eligible for and is receiving health insurance coverage under  
19 a cover Hawaii plan.

20          §    -2   **Program.**  (a)  The department shall establish and  
21 administer the cover Hawaii health care access program.  The



1 general cover Hawaii plan components shall include the  
2 following:

3 (1) Plans shall be offered on a guaranteed-issue basis to  
4 enrollees, subject to exclusions for preexisting  
5 conditions approved by the department;

6 (2) Plans shall be portable so that the enrollee remains  
7 covered regardless of employment status or the cost-  
8 sharing of premiums;

9 (3) Plans shall provide for cost containment through  
10 limits on the number of services, caps on benefit  
11 payments, and copayments for services;

12 (4) A cover Hawaii plan entity shall provide all benefit  
13 plan and marketing materials in languages approved by  
14 the executive director of the office of language  
15 access;

16 (5) In order to provide for consumer choice, cover Hawaii  
17 plan entities shall develop two alternative benefit  
18 option plans having different cost and benefit levels,  
19 including at least one plan that provides catastrophic  
20 coverage;

21 (6) Plans without catastrophic coverage shall provide  
22 coverage options for services including:



- 1 (A) Preventive health services, including
- 2 immunizations, annual health assessments, well-
- 3 woman and well-care services, and preventive
- 4 screenings such as mammograms, cervical cancer
- 5 screenings, and noninvasive colorectal or
- 6 prostate screenings;
- 7 (B) Incentives for routine preventive care;
- 8 (C) Office visits for the diagnosis and treatment of
- 9 illness or injury;
- 10 (D) Office surgery, including anesthesia;
- 11 (E) Behavioral health services;
- 12 (F) Durable medical equipment and prosthetics; and
- 13 (G) Diabetic supplies.
- 14 (b) Plans providing catastrophic coverage, at a minimum,
- 15 shall provide coverage options for all of the services listed
- 16 under subsection (a)(6), but may include coverage options for:
- 17 (1) Inpatient hospital stays;
- 18 (2) Hospital emergency care services;
- 19 (3) Urgent care services; and
- 20 (4) Outpatient facility services, outpatient surgery, and
- 21 outpatient diagnostic services.



1 (c) All plans shall offer prescription drug benefit  
2 coverage, use a prescription drug manager, or offer a discount  
3 drug card.

4 (d) Plan enrollment materials shall provide information in  
5 plain language on policy benefit coverage, benefit limits, cost-  
6 sharing requirements, and exclusions, including a clear  
7 representation of what is not covered in the plan. The  
8 enrollment materials shall include a standard disclosure form,  
9 adopted by rule by the department in accordance with chapter 91,  
10 to be reviewed and executed by all consumers purchasing cover  
11 Hawaii plan coverage.

12 (e) Plans offered through a qualified employer shall meet  
13 the requirements of section 125 of the Internal Revenue Code.

14 (f) Guidelines shall be developed to ensure that cover  
15 Hawaii plans meet minimum standards for quality of care and  
16 access to care. The department shall ensure that the cover  
17 Hawaii plans follow standardized grievance procedures.

18 (g) Changes in cover Hawaii plan benefits, premiums, and  
19 policy forms shall be subject to regulatory oversight by the  
20 department as provided by rules adopted in accordance with  
21 chapter 91.



1           (h) The department shall develop a public awareness  
2 program to be implemented throughout the State for the promotion  
3 of the cover Hawaii health care access program.

4           (i) Public and private entities may design programs to  
5 encourage Hawaii residents to participate in the cover Hawaii  
6 health care access program and to encourage employers to co-  
7 sponsor some share of cover Hawaii plan premiums for employees.

8           § -3 **Plan proposals.** (a) The department shall  
9 announce, no later than September 1, 2009, an invitation to  
10 negotiate for cover Hawaii plan entities to design a cover  
11 Hawaii plan proposal in which benefits and premiums are  
12 specified. The invitation to negotiate shall include guidelines  
13 for the review of cover Hawaii plan applications, policy forms,  
14 and all associated forms and provide regulatory oversight of  
15 cover Hawaii plan advertisement and marketing procedures. A  
16 plan shall be disapproved or withdrawn if the plan:

17           (1) Contains any ambiguous, inconsistent, or misleading  
18 provisions or any exceptions or conditions that  
19 deceptively affect or limit the benefits purported to  
20 be assumed in the general coverage provided by the  
21 plan;



1 (2) Provides benefits that are unreasonable in relation to  
2 the premium charged or contains provisions that are  
3 unfair or inequitable, that are contrary to the public  
4 policy of this State, that encourage  
5 misrepresentation, or that result in unfair  
6 discrimination in sales practices;

7 (3) Does not demonstrate that the plan is financially  
8 sound and that the applicant is able to underwrite or  
9 finance the health care coverage provided;

10 (4) Does not demonstrate that the applicant and its  
11 management are in compliance with the standards  
12 required under article 9A or 9C of chapter 431; or

13 (5) Does not guarantee that enrollees may participate in  
14 the cover Hawaii plan entity's comprehensive network  
15 of providers, as determined by the department and the  
16 contract.

17 (b) The department shall approve at least one cover Hawaii  
18 plan entity having an existing statewide network of providers.

19 § -4 **License not required.** The licensing requirements  
20 of chapter 431, article 10A and chapters 432 and 432D shall not  
21 apply to a cover Hawaii plan approved under this chapter unless  
22 expressly made applicable. However, for the purpose of

1 prohibiting unfair trade practices, cover Hawaii plans shall be  
2 considered to be insurance subject to the applicable provisions  
3 chapter 431, article 10A except as otherwise provided in this  
4 section.

5       §   -5 **Eligibility.** Eligibility to enroll in a cover  
6 Hawaii plan shall be limited to each resident of this State who  
7 meets all of the following requirements:

- 8           (1) Is between nineteen and sixty-four years of age,  
9           inclusive;
- 10          (2) Is not covered by a private insurance policy and is  
11           not eligible for coverage through a public health  
12           insurance program, such as medicare or medicaid,  
13           unless eligibility for coverage lapses due to no  
14           longer meeting income or categorical requirements;
- 15          (3) Has not been covered by any health insurance program  
16           at any time during the six months prior to  
17           application, unless coverage under a health insurance  
18           program was terminated within the previous six months  
19           due to:
- 20           (A) Loss of a job that provided an employer-sponsored  
21           health benefit plan;





1 (B) Exhaustion of coverage that was continued under  
 2 the Consolidated Omnibus Budget Reconciliation  
 3 Act of 1985 or continuation-of-coverage  
 4 requirements;

5 (C) Reaching the limiting age under the policy; or

6 (D) Death of, or divorce from, a spouse who was  
 7 provided an employer-sponsored health benefit  
 8 plan; and

9 (4) Has applied for health care coverage through a cover  
 10 Hawaii plan and has agreed to make any payments  
 11 required for participation, including periodic  
 12 payments or payments due at the time health care  
 13 services are provided.

14 § -6 **Records.** Each cover Hawaii plan shall maintain  
 15 enrollment data and provide network data and reasonable records  
 16 to enable the department to monitor plans and to determine the  
 17 financial viability of the cover Hawaii plan, as necessary.

18 § -7 **Nonentitlement.** Coverage under a cover Hawaii plan  
 19 is not an entitlement, and a cause of action does not arise  
 20 against the State, a county, any other political subdivision of  
 21 the State, or the department for failure to make coverage  
 22 available to eligible persons under this chapter.



1           §   -8 **Program evaluation.** The department shall:

2           (1) Evaluate the cover Hawaii health care access program  
3                 and its effect on the entities that seek approval as  
4                 cover Hawaii plans, on the number of enrollees, and on  
5                 the scope of the health care coverage offered under a  
6                 cover Hawaii plan;

7           (2) Provide an assessment of the cover Hawaii plans and  
8                 their potential applicability in other settings;

9           (3) Use cover Hawaii plans to gather more information to  
10                evaluate low-income, consumer-driven benefit packages;  
11                and

12           (4) Submit by September 1, 2010, and annually thereafter,  
13                a report to the governor, the president of the senate,  
14                and the speaker of the house of representatives that  
15                provides the information specified in paragraphs (1)  
16                through (3) and recommendations relating to the  
17                successful implementation and administration of the  
18                program.

19           §   -9 **Rules.** The department shall adopt rules in  
20           accordance with chapter 91 to carry out the purposes of this  
21           chapter."



1 SECTION 3. This Act shall take effect upon its approval.

INTRODUCED BY:

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**Report Title:**

Cover Hawaii Health Care Access Program

**Description:**

Creates the cover Hawaii health care access program to provide affordable health care coverage options for uninsured residents that provides coverage for basic and preventive health care services; inpatient hospital, urgent, and emergency care services; and is offered statewide by approved health insurers, health maintenance organizations, and mutual benefit societies.

