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A BILL FOR AN ACT

RELATING TO HEALTH INSURANCE.

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

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

4           "§431:10A-       Federal law compliance.   An accident and  
5 health or sickness insurer shall comply with applicable federal  
6 law. Subject to federal law, the commissioner shall have dual  
7 authority with the federal government to enforce applicable  
8 federal law regarding an accident and health or sickness  
9 insurer."

10          SECTION 2. Chapter 432, Hawaii Revised Statutes, is amended  
11 by adding to article 1 to be appropriately designated and to read  
12 as follows:

13          "§432-       Federal law compliance.   A mutual benefit  
14 society shall comply with applicable federal law. Subject to  
15 federal law, the commissioner shall have dual authority with the  
16 federal government to enforce applicable federal law regarding a  
17 mutual benefit society."

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

4 "§432D- Federal law compliance. A health maintenance  
5 organization shall comply with applicable federal law. Subject  
6 to federal law, the commissioner shall have dual authority with  
7 the federal government to enforce applicable federal law  
8 regarding a health maintenance organization."

9 SECTION 4. New statutory material is underscored.

10 SECTION 5. This Act shall take effect upon its approval.

11  
12 INTRODUCED BY: Calvin K. H. Aoy

13 BY REQUEST

JAN 24 2011

**Report Title:**

Enforcement of Federal Law

**Description:**

Authorizes the Insurance Commissioner to enforce applicable federal law regarding accident and health or sickness insurance.

JUSTIFICATION SHEET

DEPARTMENT: Commerce and Consumer Affairs

TITLE: A BILL FOR AN ACT RELATING TO HEALTH INSURANCE.

PURPOSE: To authorize the insurance commissioner to enforce applicable federal law regarding an accident and health or sickness insurer, a mutual benefit society, and a health maintenance organization.

MEANS: Add new sections to chapters 431, 432, and 432D, Hawaii Revised Statutes.

This bill amends chapter 431:10A regarding accident and health or sickness insurers; chapter 432 regarding mutual benefit societies; and chapter 432D regarding health maintenance organizations.

JUSTIFICATION: Enabling legislation is necessary to comply with the provisions of the Patient Protection and Affordability Act of 2010, as amended, requiring state enforcement of health insurance reform.

Impact on the public: This bill will establish the commissioner's dual authority with the federal government to enforce health insurance reform.

Impact on the department and other agencies: This bill will reduce confusion and inefficiency regarding enforcement of health insurance reform.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM

DESIGNATION: CCA-106.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.