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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. Section 431:2-201.5, Hawaii Revised Statutes,  
2 is amended by amending subsection (b) to read as follows:

3 "(b) The following definitions shall be used when applying  
4 Title 42 United States Code section 300gg, et seq.:

5 "Employee" means an employee who works on a full-time basis  
6 with a normal workweek of twenty hours or more.

7 "Group health issuer" means all persons offering health  
8 insurance coverage to any group or association, but shall not  
9 include those persons offering benefits exempted from Title I of  
10 the Health Insurance Portability and Accountability Act of 1996,  
11 P.L. 104-191, under sections 732(c) and 733(c) of Title I of the  
12 Employee Retirement Income Security Act of 1974 and sections  
13 2747 and 2791(c) of the Public Health Service Act.

14 "Qualifying event" means the date of issuance of a general  
15 excise tax license, the loss of a job, a reduction in hours of  
16 work, or the exhaustion of the federal Consolidated Omnibus  
17 Budget Reconstruction Act continuation coverage that results in  
18 a loss of health care coverage.



1 "Self-employed individual" means a person operating the  
2 person's own business, whether as a sole proprietorship or in  
3 any other legally recognized manner in which a person may  
4 operate the person's own business, who has a general excise tax  
5 license for that business, and who is registered or licensed by  
6 the department of commerce and consumer affairs for that  
7 business.

8 "Small employer" means, in connection with a group health  
9 plan with respect to a calendar year and a plan year, an  
10 employer who [~~employs between~~] employed an average of at least  
11 one [~~and no~~] but no more than fifty employees[-] on business  
12 days during the preceding calendar year and who employs at least  
13 one employee on the first day of the plan year."

14 SECTION 2. Section 432:1-102, Hawaii Revised Statutes, is  
15 amended by amending subsection (b) to read as follows:

16 "(b) Article 2, article 2D, parts II and IV of article 3,  
17 article 6, part III of article 7, article 9A, article 13,  
18 article 14G, and article 15 of chapter 431, sections 431:3-301,  
19 431:3-302, 431:3-303, 431:3-304, and 431:3-305, and the powers  
20 granted by those provisions to the commissioner, shall apply to  
21 managed care plans, health maintenance organizations, or medical  
22 indemnity or hospital service associations that are owned or



1 controlled by mutual benefit societies so long as the  
2 application in any particular case is in compliance with and is  
3 not preempted by applicable federal statutes and regulations."

4 SECTION 3. Section 432D-19, Hawaii Revised Statutes, is  
5 amended by amending subsection (d) to read as follows:

6 "(d) Article 2, article 2D, part IV of article 3, article  
7 6, part III of article 7, article 9A, article 13, article 14G,  
8 and article 15 of chapter 431, and sections 431:3-301 and 431:3-  
9 302, and the powers granted by those provisions to the  
10 commissioner shall apply to health maintenance organizations, so  
11 long as the application in any particular case is in compliance  
12 with and is not preempted by applicable federal statutes and  
13 regulations."

14 SECTION 4. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 5. This Act, upon its approval, shall take effect  
17 on July 1, 2050; provided that the amendment made to section  
18 431:2-201.5, Hawaii Revised Statutes, by this Act shall not be  
19 repealed when that section is reenacted on July 1, 2013, by  
20 section 3 of Act 120, Session Laws of Hawaii 2008, as amended by  
21 section 14 of Act 11, Session Laws of Hawaii 2009.



**Report Title:**

Health Insurance

**Description:**

For consistency with federal affordable health care law, etc., defines "small employer" in Hawaii insurance code to consist of employers with 50 employees or less; applies producer licensing law requirements to producers selling health maintenance organization and mutual benefit society insurance products. Effective July 1, 2050. (HB848 HD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

