
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, article 10A, Hawaii Revised
2 Statutes, is amended by adding two new sections to part VI to be
3 appropriately designated and to read as follows:

4 "§431:10A- Rate increases; public disclosures. For sixty
5 days prior to the implementation of any rate increase, the
6 commissioner and the insurer shall, at a minimum, make the
7 following information readily available to the public on their
8 respective internet websites, in plain language and in a manner
9 and format specified by the commissioner:

10 (1) Justifications for any rate increases, including all
11 information and supporting documentation as to why the
12 rate increase is justified;

13 (2) The insurer's overall annual medical trend factor
14 assumptions in each rate filing for all benefits;

15 (3) The insurer's actual costs, by aggregate benefit
16 category to include hospital inpatient, hospital
17 outpatient, physician services, prescription drugs and



1 other ancillary services, laboratory, and radiology;

2 and

3 (4) The amount of the projected trend attributable to the
4 use of services, price inflation, or fees and risk for
5 annual policy trends by aggregate benefit category,
6 such as hospital inpatient, hospital outpatient,
7 physician services, prescription drugs and other
8 ancillary services, laboratory, and radiology. An
9 insurer that exclusively contracts with no more than
10 two medical groups in the State to provide or arrange
11 for professional medical services for the enrollees of
12 the policy shall instead disclose the amount of its
13 actual trend experience for the prior contract year by
14 aggregate benefit category, using benefit categories
15 that are, to the maximum extent possible, the same or
16 similar to those used by other policies.

17 §431:10A- Claims data to group purchasers. (a) An

18 insurer shall annually provide claims data at no charge to a
19 group purchaser if the group purchaser requests the claims data.



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1 (b) The insurer shall provide claims data in an aggregated
2 form so that the claims data do not identify or do not provide a
3 reasonable basis from which to identify an individual.

4 (c) Nothing in this section shall be construed to prohibit
5 an insurer and a group purchaser from negotiating the release of
6 additional information not described in this section.

7 (d) All disclosures of data to the group purchaser made
8 pursuant to this section shall be in compliance with applicable
9 federal law."

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

13 "§432:1- Rate increases; public disclosures. For sixty
14 days prior to the implementation of any rate increase, the
15 commissioner and the mutual benefit society shall, at a minimum,
16 make the following information readily available to the public
17 on their respective internet websites, in plain language and in
18 a manner and format specified by the commissioner:

19 (1) Justifications for any rate increases, including all
20 information and supporting documentation as to why the
21 rate increase is justified;



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- 1 (2) The mutual benefit society's overall annual medical
2 trend factor assumptions in each rate filing for all
3 benefits;
- 4 (3) The mutual benefit society's actual costs, by
5 aggregate benefit category to include hospital
6 inpatient, hospital outpatient, physician services,
7 prescription drugs and other ancillary services,
8 laboratory, and radiology; and
- 9 (4) The amount of the projected trend attributable to the
10 use of services, price inflation, or fees and risk for
11 annual plan contract trends by aggregate benefit
12 category, such as hospital inpatient, hospital
13 outpatient, physician services, prescription drugs and
14 other ancillary services, laboratory, and radiology.
- 15 A mutual benefit society that exclusively contracts
16 with no more than two medical groups in the State to
17 provide or arrange for professional medical services
18 for the enrollees of the policy shall instead disclose
19 the amount of its actual trend experience for the
20 prior contract year by aggregate benefit category,
21 using benefit categories that are, to the maximum



1 extent possible, the same or similar to those used by
2 other plan contracts.

3 §432:1- Claims data to group purchasers. (a) A mutual
4 benefit society shall annually provide claims data at no charge
5 to a group purchaser if the group purchaser requests the claims
6 data.

7 (b) The mutual benefit society shall provide claims data
8 in an aggregated form so that the claims data do not identify or
9 do not provide a reasonable basis from which to identify an
10 individual.

11 (c) Nothing in this section shall be construed to prohibit
12 a mutual benefit society and a group purchaser from negotiating
13 the release of additional information not described in this
14 section.

15 (d) All disclosures of data to the group purchaser made
16 pursuant to this section shall be in compliance with applicable
17 federal law."

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



1 "§432D- Rate increases; public disclosures. For sixty
2 days prior to the implementation of any rate increase, the
3 commissioner and the health maintenance organization shall, at a
4 minimum, make the following information readily available to the
5 public on their respective internet websites, in plain language
6 and in a manner and format specified by the commissioner:

7 (1) Justifications for any rate increases, including all
8 information and supporting documentation as to why the
9 rate increase is justified;

10 (2) The health maintenance organization's overall annual
11 medical trend factor assumptions in each rate filing
12 for all benefits;

13 (3) The health maintenance organization's actual costs, by
14 aggregate benefit category to include hospital
15 inpatient, hospital outpatient, physician services,
16 prescription drugs and other ancillary services,
17 laboratory, and radiology; and

18 (4) The amount of the projected trend attributable to the
19 use of services, price inflation, or fees and risk for
20 annual plan contract trends by aggregate benefit
21 category, such as hospital inpatient, hospital



1 outpatient, physician services, prescription drugs and
2 other ancillary services; laboratory, and radiology.
3 A health maintenance organization that exclusively
4 contracts with no more than two medical groups in the
5 State to provide or arrange for professional medical
6 services for the enrollees of the policy shall instead
7 disclose the amount of its actual trend experience for
8 the prior contract year by aggregate benefit category,
9 using benefit categories that are, to the maximum
10 extent possible, the same or similar to those used by
11 other plan contracts.

12 §432D- Claims data to group purchasers. (a) A health
13 maintenance organization shall annually provide claims data at
14 no charge to a group purchaser if the group purchaser requests
15 the claims data.

16 (b) The health maintenance organization shall provide
17 claims data in an aggregated form so that the claims data do not
18 identify or do not provide a reasonable basis from which to
19 identify an individual.

20 (c) Nothing in this section shall be construed to prohibit
21 a health maintenance organization and a group purchaser from



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1 negotiating the release of additional information not described
2 in this section.

3 (d) All disclosures of data to the group purchaser made
4 pursuant to this section shall be in compliance with applicable
5 federal law."

6 SECTION 4. New statutory material is underscored.

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

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INTRODUCED BY:

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Report Title:

Rate Filings; Claims Data; Disclosure

Description:

Requires the insurance commissioner and health insurers, mutual benefit societies, and health maintenance organizations to make public disclosure of rate filings information prior to a rate increase. Requires health insurers, mutual benefit societies, and health maintenance organizations to disclose aggregated claims data to group purchasers upon request.

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