
A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 SECTION 1. The purpose of this Act is to facilitate the
2 establishment of health plans that qualify as high deductible
3 health plans in Hawaii and may be purchased for use with a
4 health savings account and allow the labor force to receive
5 contributions to health savings accounts. The intent is for
6 contributions to health savings accounts to be used to pay for
7 or reimburse qualifying medical expenses and receive favorable
8 tax treatment, by allowing the contributions to be accumulated
9 over the years or distributed on a tax-free basis.

10 This Act shall be liberally construed to allow employers
11 and employees to receive maximum tax benefits provided in
12 federal or state law through use of a high deductible health
13 plan.

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

17 "§431:10A- High deductible health plan; limitations.

18 (a) An insurer, subject to regulation by the commissioner and



1 the department of labor and industrial relations, may offer,
2 sell, or renew, on or after July 1, 2016, a high deductible
3 health plan in conjunction with a health savings account to
4 employers subject to chapter 393 alongside a prepaid health care
5 plan group accident and health or sickness insurance policy that
6 has been sold to an employer subject to chapter 393.

7 (b) Nothing in this section shall allow an employer
8 subject to chapter 393 to avoid providing a prepaid health care
9 plan, and it shall be a violation of this section for any
10 insurer subject to this section to offer, sell, or renew a
11 stand-alone high deductible health plan or stand-alone health
12 savings account to an employer subject to chapter 393.

13 (c) If this section or any provision of this section
14 conflicts at any time with any federal law, then the federal law
15 shall prevail and this section or the relevant provisions of
16 this section shall become ineffective and invalid. The
17 ineffectiveness or invalidity of this section or any of its
18 provisions shall not affect any other provisions or applications
19 of this section, which shall be given effect without the invalid
20 provision or application, and to this end, the provisions of
21 this section are severable.



1 (d) As used in this section, unless the context clearly
2 requires otherwise:

3 "Health savings account" means a health savings account
4 authorized under section 223 of the Internal Revenue Code of
5 1986.

6 "High deductible health plan" shall have the same meaning
7 as defined in section 223 of the Internal Revenue Code of 1986.

8 "Prepaid health care plan" shall have the same meaning as
9 defined in section 393-3."

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

13 "§432:1- High deductible health plan; limitations. (a)
14 A mutual benefit society, subject to regulation by the
15 commissioner and the department of labor and industrial
16 relations, may offer, sell, or renew, on or after July 1, 2016,
17 a high deductible health plan in conjunction with a health
18 savings account to employers subject to chapter 393 alongside a
19 prepaid health care plan group hospital and medical service plan
20 that has been sold to an employer subject to chapter 393.



1 (b) Nothing in this section shall allow an employer
2 subject to chapter 393 to avoid providing a prepaid health care
3 plan, and it shall be a violation of this section for any
4 insurer subject to this section to offer, sell, or renew a
5 stand-alone high deductible health plan or stand-alone health
6 savings account to an employer subject to chapter 393.

7 (c) If this section or any provision of this section
8 conflicts at any time with any federal law, then the federal law
9 shall prevail and this section or the relevant provisions of
10 this section shall become ineffective and invalid. The
11 ineffectiveness or invalidity of this section or any of its
12 provisions shall not affect any other provisions or applications
13 of this section, which shall be given effect without the invalid
14 provision or application, and to this end, the provisions of
15 this section are severable.

16 (d) As used in this section, unless the context clearly
17 requires otherwise:

18 "Health savings account" means a health savings account
19 authorized under section 223 of the Internal Revenue Code of
20 1986.



1 "High deductible health plan" shall have the same meaning
2 as defined in section 223 of the Internal Revenue Code of 1986.

3 "Prepaid health care plan" shall have the same meaning as
4 defined in section 393-3."

5 SECTION 4. Section 432D-23, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "§432D-23 Required provisions and benefits.

8 Notwithstanding any provision of law to the contrary, each
9 policy, contract, plan, or agreement issued in the State after
10 January 1, 1995, by health maintenance organizations pursuant to
11 this chapter, shall include benefits provided in sections
12 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116,
13 431:10A-116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119,
14 431:10A-120, 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126,
15 431:10A-132, 431:10A-133, [~~and~~] 431:10A-140, and 431:10A- ,
16 and chapter 431M."

17 SECTION 5. Notwithstanding section 432D-23, Hawaii Revised
18 Statutes, the high deductible health plan in conjunction with a
19 health savings account to be provided by a health maintenance
20 organization under section 4 of this Act shall apply to all
21 group policies, contracts, plans, or agreements issued or



1 renewed in this State by a health maintenance organization on or
2 after July 1, 2016.

3 SECTION 6. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 7. This Act shall take effect on July 1, 2016.

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Report Title:

High Deductible Health Plans; Health Savings Accounts; Insurance

Description:

Authorizes insurers, mutual benefit societies, and health maintenance organizations to offer, sell, or renew, on or after July 1, 2016, a high deductible health plan in conjunction with a health savings account to an employer subject to the prepaid health care act alongside a prepaid health care plan insurance policy that has been sold to the employer. (Proposed SD1)

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