
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 January 1, 2017, a high deductible
3 health plan in conjunction with a health savings account to
4 employers subject to chapter 393 together with a prepaid health
5 care plan group accident and health or sickness insurance
6 policy, which is not a high deductible health plan, that has
7 been sold to an employer subject to chapter 393.

8 (b) When a high deductible health plan is offered, sold,
9 or renewed in conjunction with a health savings account pursuant
10 to subsection (a), the insurer shall ensure that a prepaid
11 health care plan group accident and health or sickness insurance
12 policy, which is not a high deductible health plan, is also
13 offered to each eligible insured.

14 (c) Nothing in this section shall allow an employer
15 subject to chapter 393 to avoid providing a prepaid health care
16 plan, and it shall be a violation of this section for any
17 insurer subject to this section to offer, sell, or renew a
18 stand-alone high deductible health plan or stand-alone health
19 savings account to an employer subject to chapter 393.

20 (d) If this section or any provision of this section
21 conflicts at any time with any federal law, then the federal law



1 shall prevail and this section or the relevant provisions of
2 this section shall become ineffective and invalid. The
3 ineffectiveness or invalidity of this section or any of its
4 provisions shall not affect any other provisions or applications
5 of this section, which shall be given effect without the invalid
6 provision or application, and to this end, the provisions of
7 this section are severable.

8 (e) Nothing in this section shall require an insurer to
9 provide the health savings account to an employer.

10 (f) As used in this section, unless the context clearly
11 requires otherwise:

12 "Health savings account" means a health savings account
13 authorized under section 223 of the Internal Revenue Code of
14 1986.

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

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

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



1 "§432:1- High deductible health plan; limitations. (a)
2 A mutual benefit society, subject to regulation by the
3 commissioner and the department of labor and industrial
4 relations, may offer, sell, or renew, on or after January 1,
5 2017, a high deductible health plan in conjunction with a health
6 savings account to employers subject to chapter 393 together
7 with a prepaid health care plan group hospital and medical
8 service plan, which is not a high deductible health plan, that
9 has been sold to an employer subject to chapter 393.

10 (b) When a high deductible health plan is offered, sold,
11 or renewed in conjunction with a health savings account pursuant
12 to subsection (a), the mutual benefit society shall ensure that
13 a prepaid health care plan group hospital and medical service
14 plan, which is not a high deductible health plan, is also
15 offered to each eligible member.

16 (c) Nothing in this section shall allow an employer
17 subject to chapter 393 to avoid providing a prepaid health care
18 plan, and it shall be a violation of this section for any mutual
19 benefit society subject to this section to offer, sell, or renew
20 a stand-alone high deductible health plan or stand-alone health
21 savings account to an employer subject to chapter 393.



1 (d) If this section or any provision of this section
2 conflicts at any time with any federal law, then the federal law
3 shall prevail and this section or the relevant provisions of
4 this section shall become ineffective and invalid. The
5 ineffectiveness or invalidity of this section or any of its
6 provisions shall not affect any other provisions or applications
7 of this section, which shall be given effect without the invalid
8 provision or application, and to this end, the provisions of
9 this section are severable.

10 (e) Nothing in this section shall require a mutual benefit
11 society to provide the health savings account to an employer.

12 (f) As used in this section, unless the context clearly
13 requires otherwise:

14 "Health savings account" means a health savings account
15 authorized under section 223 of the Internal Revenue Code of
16 1986.

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

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



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

3 "§432D-23 Required provisions and benefits.

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

13 SECTION 5. Notwithstanding section 432D-23, Hawaii Revised
14 Statutes, the high deductible health plan in conjunction with a
15 health savings account to be provided by a health maintenance
16 organization under section 4 of this Act shall apply to all
17 group policies, contracts, plans, or agreements issued or
18 renewed in this State by a health maintenance organization on or
19 after January 1, 2017.

20 SECTION 6. If any provision of this Act, or the
21 application thereof to any person or circumstance, is held



1 invalid, the invalidity does not affect other provisions or
2 applications of the Act that can be given effect without the
3 invalid provision or application, and to this end the provisions
4 of this Act are severable.

5 SECTION 7. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 8. This Act shall take effect on July 1, 2050.



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 January 1, 2017, a high deductible health plan in conjunction with a health savings account to an employer subject to the prepaid health care act together with a prepaid health care plan insurance policy, which is not a high deductible health plan, that has been sold to the employer. Specifies limitations for high deductible health plans and health savings accounts. Effective 7/1/2050. (SD2)

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