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## A BILL FOR AN ACT

RELATING TO HEALTH.

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

1           SECTION 1. The legislature finds that in Hawaii,  
2 approximately one in five hundred babies is born with an  
3 orofacial anomaly, such as cleft lip or cleft palate.  
4 Orthodontic services for the treatment of orofacial anomalies  
5 are not included as a benefit of commercial health plans.  
6 Treatment cost estimates range from approximately \$5,700 to  
7 \$20,000 or more. Without orthodontic treatment, appropriate  
8 care and reconstructive surgical outcomes are compromised and  
9 result in functional deficiencies in chewing, swallowing,  
10 respiration, speech, unstable or malpositioned oral structures,  
11 premature tooth loss, and adverse psychosocial effects.

12           The purpose of this Act is to promote quality health care  
13 procedures in the State by requiring insurance coverage of  
14 medically necessary orthodontic treatment of orofacial  
15 anomalies.



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

4 "§431:10A- Orthodontic services for orofacial anomalies;  
5 benefits and coverage; notice. (a) Each health insurance  
6 policy, contract, plan, or agreement issued or renewed in this  
7 State after December 31, 2015, shall provide to the policyholder  
8 and individuals under twenty-six years of age covered under the  
9 policy, contract, plan, or agreement, coverage of medically  
10 necessary orthodontic services for the treatment of orofacial  
11 anomalies.

12 (b) Every insurer shall provide written notice to its  
13 policyholders regarding the coverage required by this section.  
14 The notice shall be in writing and prominently positioned in any  
15 literature or correspondence sent to policyholders and shall be  
16 transmitted to policyholders within calendar year 2016 when  
17 annual information is made available to members or in any other  
18 mailing to members, but in no case later than December 31, 2016.

19 (c) Orthodontic services for treatment of orofacial  
20 anomalies provided under this section shall be subject to a  
21 maximum benefit of \$5,000 per treatment phase but shall not be



1 subject to limits on the number of visits to an orthodontist.  
2 After December 31, 2017, the insurance commissioner, on an  
3 annual basis, shall adjust the maximum benefit for inflation  
4 using the medical care component of the United States Department  
5 of Labor Consumer Price Index for all urban consumers. The  
6 commissioner shall publish the adjusted maximum benefit annually  
7 no later than April 1 of each calendar year, which shall apply  
8 during the following calendar year to health insurance policies  
9 subject to this section. Payments made by an insurer on behalf  
10 of a covered individual for any care, treatment, intervention,  
11 or service other than orthodontic services shall not be applied  
12 toward any maximum benefit established under this subsection.

13 (d) Coverage under this section shall be subject to  
14 copayment, deductible, and coinsurance provisions of a health  
15 insurance policy to the extent that other medical services  
16 covered by the policy are subject to these provisions.

17 (e) This section shall not be construed as limiting  
18 benefits that are otherwise available to an individual under a  
19 health insurance policy.



1        (f) Coverage for treatment under this section shall not be  
2 denied on the basis that the treatment is habilitative or non-  
3 restorative in nature.

4        (g) As of January 1, 2017, to the extent that this section  
5 requires benefits that exceed the essential health benefits  
6 specified under section 1302(b) of the Patient Protection and  
7 Affordable Care Act of 2010 (P.L. 111-148), the specific  
8 benefits that exceed the specified essential health benefits  
9 shall not be required of a qualified health plan when the plan  
10 is offered in this State through the Hawaii health insurance  
11 exchange by a health carrier. Nothing in this subsection shall  
12 nullify the application of this section to plans offered outside  
13 the exchange.

14        (h) As used in this section, unless the context clearly  
15 requires otherwise:

16        "Health insurance policy" means an individual or group or  
17 accident and health or sickness insurance policy or subscriber  
18 contract or certificate issued by an insurance entity subject to  
19 this section.



1       "Orofacial anomalies" means cleft lip or cleft palate and  
2 other birth defects of the mouth and face affecting functions  
3 such as eating, chewing, speech, and respiration.

4       "Orthodontic services" mean direct or consultative services  
5 provided by a licensed orthodontist.

6       "Treatment for orofacial anomalies" includes the care  
7 prescribed, provided, or ordered for an individual diagnosed  
8 with an orofacial anomaly by a craniofacial team that includes a  
9 licensed dentist, orthodontist, oral surgeon, and physician, and  
10 is coordinated between specialists and providers."

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

14       "§432:1-     Orthodontic services for orofacial anomalies,  
15 benefits and coverage; notice. (a) Notwithstanding any law to  
16 the contrary, each health insurance policy, contract, or  
17 agreement issued or renewed in this State after December 31,  
18 2015, shall provide to the member and individuals under twenty-  
19 six years of age covered under the service plan, policy,  
20 contract, or agreement, coverage for medically necessary  
21 orthodontic services for the treatment of orofacial anomalies.



1        (b) Every mutual benefit society shall provide written  
2 notice to its members regarding the coverage required by this  
3 section. The notice shall be in writing and prominently  
4 positioned in any literature or correspondence sent to members  
5 and shall be transmitted to members within calendar year 2016  
6 when annual information is made available to members or in any  
7 other mailing to members, but in no case later than December 31,  
8 2016.

9        (c) Coverage provided under this section shall be subject  
10 to a maximum benefit of \$5,000 per treatment phase but shall not  
11 be subject to any limits on the number of visits to an  
12 orthodontist. After December 31, 2017, the insurance  
13 commissioner, on an annual basis, shall adjust the maximum  
14 benefit for inflation using the medical care component of the  
15 United States Department of Labor Consumer Price Index for all  
16 urban consumers. The commissioner shall publish the adjusted  
17 maximum benefit annually no later than April 1 of each calendar  
18 year, which shall apply during the following calendar year to  
19 health insurance policies subject to this section. Payments  
20 made by a mutual benefit society on behalf of a covered  
21 individual for any care, treatment, intervention, or service



1 other than orthodontic services shall not be applied toward any  
2 maximum benefit established under this subsection.

3 (d) Coverage under this section shall be subject to  
4 copayment, deductible, and coinsurance provisions of a health  
5 insurance policy to the extent that other medical services  
6 covered by the policy are subject to these provisions.

7 (e) This section shall not be construed as limiting  
8 benefits that are otherwise available to an individual under a  
9 health insurance policy.

10 (f) Coverage for treatment under this section shall not be  
11 denied on the basis that the treatment is habilitative or non-  
12 restorative in nature.

13 (g) As of January 1, 2017, to the extent that this section  
14 requires benefits that exceed the essential health benefits  
15 specified under section 1302(b) of the Patient Protection and  
16 Affordable Care Act of 2010 (P.L. 111-148), the specific  
17 benefits that exceed the specified essential health benefits  
18 shall not be required of a qualified health plan when the plan  
19 is offered in this State through the Hawaii health insurance  
20 exchange by a health carrier. Nothing in this subsection shall



1 nullify the application of this section to plans offered outside  
2 the exchange.

3 (h) As used in this section, unless the context clearly  
4 requires otherwise:

5 "Health insurance policy" means an individual or group  
6 hospital or medical service plan, contract, or certificate  
7 issued by a mutual benefit society subject to this section.

8 "Orofacial anomalies" means cleft lip or cleft palate and  
9 other congenital anomalies of the mouth and face affecting  
10 functions such as eating, chewing, speech, and respiration.

11 "Orthodontic services" means direct or consultative  
12 services provided by a licensed orthodontist.

13 "Treatment for orofacial anomalies" includes the care  
14 prescribed, provided, or ordered for an individual diagnosed  
15 with an orofacial anomaly by a craniofacial team that includes a  
16 licensed dentist, orthodontist, oral surgeon, and physician, and  
17 is coordinated between specialists and providers."

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

20 "§432D-23 Required provisions and benefits.

21 Notwithstanding any provision of law to the contrary, each





1 policy, contract, plan, or agreement issued in the State after  
 2 January 1, 1995, by health maintenance organizations pursuant to  
 3 this chapter, shall include benefits provided in sections  
 4 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-  
 5 116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,  
 6 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, [~~431:10A-~~  
 7 ~~122, and 431:10A-116.2,~~] and 431:10A- , and chapter 431M."

8 SECTION 5. The coverage and benefit to be provided by a  
 9 health maintenance organization under section 4 of this Act  
 10 shall begin for all policies, contracts, plans, or agreements  
 11 issued in this State by a health maintenance organization after  
 12 December 31, 2015.

13 SECTION 6. Statutory material to be repealed is bracketed  
 14 and stricken. New statutory material is underscored.

15 SECTION 7. This Act shall take effect upon its approval.  
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INTRODUCED BY: Bella A. Bilotti

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# H.B. NO. 588

**Report Title:**

Insurance Coverage; Orthodontic Services; Orofacial Anomalies

**Description:**

Requires each individual or group accident and health or sickness insurance policy and hospital or medical service contract issued or renewed after December 31, 2015, to provide coverage for medically necessary orthodontic services for the treatment of orofacial anomalies.

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

