
A BILL FOR AN ACT

RELATING TO HEALTH INSURANCE.

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

1 SECTION 1. The legislature finds that the Patient
2 Protection and Affordable Care Act of 2010 (Affordable Care Act)
3 has resulted in an estimated 20,000,000 Americans gaining health
4 insurance coverage. The provisions under the Affordable Care
5 Act that have afforded coverage to the uninsured include the
6 medicaid expansion, health insurance marketplace coverage, and
7 changes in private insurance that permit young adults to remain
8 on their parent's health insurance plans and require health
9 insurance plans to cover people with preexisting health
10 conditions. According to a report from the United States
11 Department of Health and Human Services, 6,100,000 uninsured
12 young adults ages nineteen to twenty-five have gained health
13 insurance coverage thanks to the Affordable Care Act. This is
14 especially important as young adults were particularly likely to
15 be uninsured before the law went into effect.

16 The federal Department of Health and Human Services
17 recently reported that since the enactment of the Affordable



1 Care Act, 54,000 residents of Hawaii have gained health
2 insurance coverage. In addition to residents who would
3 otherwise be uninsured, hundreds of thousands of Hawaii
4 residents with employer, medicaid, individual market, or
5 medicare coverage have also benefited from new protections under
6 the Affordable Care Act. Even with the robust coverage of
7 Hawaii's Prepaid Health Care Act, the benefits of the Affordable
8 Care Act in Hawaii have been widespread. The Act expanded
9 medicaid eligibility and strengthened the program for those
10 already eligible. The State has saved millions in uncompensated
11 care costs and has been able to improve behavioral health
12 outcomes for various beneficiaries. For Hawaii residents,
13 individual market coverage is now dramatically better than
14 before the enactment of the Affordable Care Act.

15 Unfortunately, the future of the Affordable Care Act is now
16 uncertain. The current presidential administration campaigned
17 on the promise to repeal the Affordable Care Act. Republicans
18 in Congress have also backed the Executive Branch's promise to
19 repeal and replace the Affordable Care Act. On January 12,
20 2017, Senate Republicans took their first major step toward
21 repealing the Affordable Care Act, when they approved a budget



1 blueprint that would allow Republicans to gut the Affordable
2 Care Act without the threat of a Democratic filibuster, and on
3 March 6, 2017, the House Republicans unveiled their plan to
4 repeal and replace the Affordable Care Act with a bill that
5 would, among other things, remove the individual mandate for
6 most Americans to have health insurance and roll back the
7 expansion of medicaid.

8 The repeal of the Affordable Care Act will have widespread
9 ramifications. According to recent data from the Urban
10 Institute, 86,000 fewer people in Hawaii would have health
11 insurance in 2019 if the Affordable Care Act is repealed.
12 States are poised to lose significant federal funds if
13 marketplace subsidies and the medicaid expansion end. For
14 Hawaii, a repeal of the Affordable Care Act means the loss of
15 \$47,000,000 in federal marketplace spending in 2019 and a loss
16 of \$532,000,000 between 2019 and 2028. Hawaii would also lose
17 \$306,000,000 in federal medicaid funding in 2019 and
18 \$3,700,000,000 between 2019 and 2028.

19 The legislature further finds that repealing the Affordable
20 Care Act would destabilize the individual insurance market due
21 to a combination of several factors, including the pending loss



1 of subsidies, elimination of the requirement to buy health
2 insurance, and the requirement that insurers sell to all
3 purchasers. Such factors will likely cause individual insurance
4 prices to rise and may cause healthier individuals to drop
5 health insurance coverage.

6 The Urban Institute estimates that repealing the Affordable
7 Care Act without an adequate replacement plan that ensures
8 affordable coverage would take health insurance coverage away
9 from 29,800,000 people nationwide by 2019, more than doubling
10 the total number of uninsured to 58,700,000.

11 As of March 22 2017, although more than two dozen House
12 conservatives remain opposed or leaning against the effort to
13 revise the Affordable Care Act under the current House
14 Republican bill introduced on March 6, 2017, the Executive
15 Branch continues to demand that Congress repeal and replace the
16 Act, while other House Republicans continue their efforts to
17 vote on a replacement Affordable Care Act bill that can be sent
18 to the Senate for consideration. The legislature concludes that
19 due to the uncertainty over the Affordable Care Act, it is
20 important to preserve certain important aspects of the Act for
21 residents in Hawaii.



1 The legislature also concludes that due to this continued
2 uncertainty, expansion of the medicaid program in Hawaii,
3 referred to in this Act as the medicaid plus program, should be
4 considered, specifically for individuals and qualifying families
5 whose income is between 138.5 per cent and two hundred fifty per
6 cent of the federal poverty level for Hawaii. Such an expansion
7 would cover individuals and families currently receiving health
8 insurance coverage through the federal health insurance
9 exchange; people who may be receiving advance premium tax
10 credits - primarily self-employed individuals, part-time
11 workers, and Compact of Free Association migrants; lower income
12 employed individuals who may have difficulty obtaining health
13 insurance; and other part-time workers who may work several jobs
14 but who do not otherwise qualify for coverage under Hawaii's
15 Prepaid Health Care Act. The legislature notes that the
16 medicaid plus program is not intended to offer health care
17 coverage for children, as such coverage is already available
18 under Hawaii's traditional medicaid program, which provides
19 health care services for children in households whose income is
20 up to three hundred per cent of the federal poverty level for
21 Hawaii. The legislature also notes that it is anticipated that



1 any medicaid plus program, or another similar program designed
2 to ensure health care coverage to residents below two hundred
3 fifty per cent of the federal poverty level in Hawaii would go
4 into effect on the next plan year after any federal law that
5 repeals and replaces the Affordable Care Act goes into effect.

6 Finally, the legislature notes that, because the issues
7 surrounding health insurance and the potential repeal of the
8 Affordable Care Act are far-reaching and complex, it is also
9 appropriate to convene a working group to further address these
10 issues.

11 Accordingly, the purpose of this Act is to:

12 (1) Ensure that certain benefits under the Affordable Care
13 Act, which may not otherwise be available under the
14 State's Prepaid Health Care Act, remain available
15 under Hawaii law, including:

16 (A) Preserving the individual mandate that requires
17 taxpayers to have qualified health insurance
18 coverage throughout the year or pay a penalty;

19 (B) Ensuring all health insurers, mutual benefit
20 societies, and health maintenance organizations
21 in the State, including health benefits plans



1 under chapter 87A, Hawaii Revised Statutes,
2 include essential health care benefits, plus
3 additional contraception and breastfeeding
4 coverage benefits;
5 (C) Extending dependent coverage for adult children
6 until the children turn twenty-six years of age;
7 (D) Prohibiting health insurance entities from
8 imposing a preexisting condition exclusion; and
9 (E) Prohibiting health insurance entities from using
10 an individual's gender to determine premiums or
11 contributions;
12 (2) Establish a minimum essential coverage premium
13 supplementation trust fund to provide premium
14 supplementations to insurers that issue minimum
15 essential coverage at a net financial loss;
16 (3) Establish the medicaid plus program in the department
17 of human services to provide insurance coverage to
18 individuals and qualifying families whose income is
19 between 138.5 per cent and two hundred fifty per cent
20 of the federal poverty level for Hawaii; and



1 (4) Establish the affordable health insurance working
2 group to address the complexities of the health care
3 system in Hawaii and the related uncertainty over the
4 future of the Affordable Care Act.

5 SECTION 2. The Hawaii Revised Statutes is amended by
6 adding a new chapter to be appropriately designated and to read
7 as follows:

8 "CHAPTER

9 MINIMUM ESSENTIAL COVERAGE PREMIUM SUPPLEMENTATION

10 § -1 Establishment of minimum essential coverage premium
11 supplementation trust fund. There is established in the
12 treasury of the State, separate and apart from all public moneys
13 or funds of the State, a trust fund for minimum essential
14 coverage premium supplementation which shall be administered by
15 the director of finance exclusively for the purposes of this
16 chapter. All minimum essential coverage premium
17 supplementations payable under this chapter shall be paid from
18 the fund. The fund shall consist of:

19 (1) All money appropriated by the legislature for the
20 purposes of premium supplementation under this
21 chapter; and



1 (2) All fines and penalties collected pursuant to section
2 235-A.

3 § -2 **Management of the fund.** The director of finance
4 shall be the treasurer and custodian of the minimum essential
5 coverage premium supplementation fund. All moneys in the fund
6 shall be held in trust for the purposes of this chapter only and
7 shall not be expended, released, or appropriated or otherwise
8 disposed of for any other purpose. Moneys in the fund may be
9 deposited in any depository bank in which general funds of the
10 State may be deposited, but such moneys shall not be commingled
11 with other state funds and shall be maintained in separate
12 accounts on the books of the depository bank. Such moneys shall
13 be secured by the depository bank to the same extent and in the
14 same manner as required by the general depository law of the
15 State; and collateral pledged for this purpose shall be kept
16 separate and distinct from any other collateral pledged to
17 secure other funds of the State. The director of finance shall
18 be liable for the performance of the director of finance's
19 duties under this section as provided in chapter 37.

20 § -3 **Disbursements from the fund.** Expenditures of
21 moneys in the minimum essential coverage premium supplementation



1 fund shall not be subject to any provisions of law requiring
2 specific appropriations or other formal release by the state
3 officers of money in their custody. All payments from the fund
4 shall be made upon warrants drawn upon the director of finance
5 by the comptroller of the State supported by vouchers approved
6 by the director.

7 § -4 Entitlement to premium supplementation. (a) An
8 insurer that provides minimum essential coverage pursuant to
9 section 235-A and provides minimum essential confirmation
10 reports in compliance with section 235-B shall be entitled to
11 premium supplementation from the fund if the cost to the insurer
12 of providing such coverage under any individual policy, plan,
13 contract, or agreement exceeds per cent of the total
14 premium amount paid to the insurer by the covered individual.

15 (b) The amount of the supplementation for each individual
16 minimal essential coverage policy, plan, contract, or agreement
17 shall be the amount by which the cost of providing minimal
18 essential coverage exceeds the total premium amount paid to the
19 insurer.

20 § -5 Claim of premium supplementation. An insurer
21 entitled to premium supplementation under this chapter shall



1 file a claim for premium supplementation in the manner provided
2 by the director of finance by rule. The insurer shall have the
3 burden of demonstrating the insurer's entitlement."

4 SECTION 3. Chapter 235, Hawaii Revised Statutes, is
5 amended by adding two new sections to be appropriately
6 designated and to read as follows:

7 "§235-A Minimum essential coverage. (a) Except as
8 provided in subsection (g), for each month beginning after
9 December 31, 2017, an individual shall ensure that the
10 individual, and any dependent of the individual, is covered with
11 minimum essential coverage for the month.

12 (b) If a taxpayer, or a dependent for whom the taxpayer is
13 liable, fails to meet the requirement of subsection (a) for one
14 or more months, then a penalty shall be imposed on the taxpayer
15 in an amount determined pursuant to subsection (c); provided
16 that:

17 (1) Any penalty imposed by this section with respect to
18 any month shall be included with a taxpayer's return
19 under section 235-92 for the taxable year which
20 includes that month; and



1 (2) If a penalty is imposed for any month on an individual
2 and the individual:

3 (A) Is a dependent of another taxpayer for the other
4 taxpayer's taxable year, the other taxpayer shall
5 be liable for the penalty; or

6 (B) Files a joint return for the taxable year, the
7 individual and the spouse of the individual shall
8 be jointly liable for such penalty.

9 (c) The amount of the penalty imposed by this section on
10 any taxpayer for any taxable year pursuant to subsection (b)
11 shall be equal to the sum of the monthly penalty amounts
12 determined under subsection (d) for months in the taxable year
13 during which the taxpayer or the taxpayer's dependent fails to
14 meet the requirements of subsection (a).

15 (d) The monthly penalty amount with respect to any
16 taxpayer for any month during which any failure described
17 pursuant to subsection (b) occurred is an amount equal to one-
18 twelfth of the greater of the following amounts:

19 (1) A flat rate of \$695; or



1 (2) 2.5 per cent of the excess of the taxpayer's household
2 income for the taxable year over the taxpayer's
3 applicable filing threshold for the taxable year.

4 (e) If an individual has not attained the age of eighteen
5 as of the beginning of a month, the monthly penalty with respect
6 to such individual shall be equal to one-half of the amount
7 described in subsection (d).

8 (f) For every calendar year beginning after December 31,
9 2018, the amount under subsection (d)(1) shall be \$695,
10 increased by an amount equal to \$695 multiplied by the cost of
11 living adjustment determined pursuant to title 26 United States
12 Code section 1(f)(3).

13 (g) The following shall be exempt from the requirements
14 imposed by subsection (a):

15 (1) Any individual who is not required to file an
16 individual tax return under this chapter; and

17 (2) An individual or family whose income is two hundred
18 fifty per cent or less of the federal poverty level in
19 Hawaii.



1 (h) A nonresident who is required to file an individual
2 tax return under this chapter shall be exempt from the
3 requirements of this section.

4 (i) For purposes of this section:

5 "Household income" means, with respect to any taxpayer for
6 any taxable year, an amount equal to the sum of the adjusted
7 gross income, as determined under this chapter, of the taxpayer
8 plus the aggregate adjusted gross income, as determined under
9 this chapter, of all individuals for whom the taxpayer is
10 allowed a deduction under section 151 (relating to allowance of
11 deduction for personal exemptions) of the Internal Revenue Code
12 of 1986, as amended, for the taxable year and who were required
13 to file a tax return under section 235-92.

14 "Minimum essential coverage" means the same as in section
15 5000A(f) of the Internal Revenue Code of 1986, as amended, and
16 title 26 Code of Federal Regulations section 1.5000A-2, as of
17 January 1, 2017.

18 §235-B Minimum essential coverage confirmation report.

19 (a) The director of taxation shall require every insurer that
20 issues a policy, plan, contract, or agreement that provides
21 minimum essential coverage to any individual residing in the



1 State to report the provision of coverage on a form and in a
2 manner determined by the director by rule pursuant to chapter
3 91. Coverage confirmation reports issued pursuant to this
4 section shall be provided to the director of taxation and to the
5 individual covered by the policy, plan, contract or agreement.

6 (b) Each coverage confirmation report issued pursuant to
7 this section shall contain, at minimum:

8 (1) The name, date of birth, and last four digits of the
9 social security number of each individual, including
10 all dependents, covered by the minimum essential
11 coverage;

12 (2) The policy number and start and end dates of the
13 minimum essential coverage applicable to each
14 individual named;

15 (3) The monthly premium amount paid for minimum essential
16 coverage for each individual named; and

17 (4) The premium supplementation amounts, if any, paid to
18 the insurer for providing minimal essential coverage
19 to the named individuals pursuant to chapter ."



1 SECTION 4. Chapter 346, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§346- Medicaid plus program; establishment; required
5 benefits. (a) There is established the medicaid plus program
6 within the department. The department shall provide insurance
7 coverage through the medicaid plus program to individuals and
8 qualifying families whose income is between 138.5 per cent and
9 two hundred fifty per cent of the federal poverty level for
10 Hawaii.

11 (b) The medicaid plus program shall include a cost share
12 requirement for individuals and qualifying families of
13 \$ _____ or _____ per cent of income, whichever is less.

14 (c) The medicaid plus program shall include at least the
15 following essential health care benefits:

- 16 (1) Ambulatory patient services;
- 17 (2) Emergency services;
- 18 (3) Hospitalization benefits;
- 19 (4) Pregnancy, maternity, and newborn care;
- 20 (5) Mental health and substance use disorder services,
21 including behavioral health treatment, mental and



1 behavioral health inpatient services, and substance
2 use disorder treatment;

3 (6) Laboratory services;

4 (7) Preventive and wellness services and chronic disease
5 management; and

6 (8) Limited prescription drug coverage.

7 (d) The medicaid plus program shall also include the
8 following additional benefits:

9 (1) Contraceptive coverage, including contraceptive
10 methods and counseling, as prescribed by a health care
11 provider; and

12 (2) Breastfeeding coverage, including breastfeeding
13 support, counseling, and equipment for the duration of
14 breastfeeding."

15 SECTION 5. Chapter 431, Hawaii Revised Statutes, is
16 amended by adding four new sections to article 10A to be
17 appropriately designated and to read as follows:

18 "§431:10A- Essential health care benefits. (a) Every
19 policy of accident and health or sickness insurance issued or
20 renewed in this State shall include at least the following
21 essential health care benefits:



- 1 (1) Ambulatory patient services;
- 2 (2) Emergency services;
- 3 (3) Hospitalization benefits;
- 4 (4) Pregnancy, maternity, and newborn care;
- 5 (5) Mental health and substance use disorder services,
- 6 including behavioral health treatment, mental and
- 7 behavioral health inpatient services, and substance
- 8 use disorder treatment;
- 9 (6) Prescription drug coverage;
- 10 (7) Rehabilitative services and devices;
- 11 (8) Laboratory services;
- 12 (9) Preventive and wellness services and chronic disease
- 13 management; and
- 14 (10) Pediatric services, excluding oral and vision care.
- 15 (b) Policies of accident and health or sickness insurance
- 16 delivered or issued for delivery in this State shall also
- 17 include the following additional benefits:
- 18 (1) Contraceptive coverage, including contraceptive
- 19 methods and counseling, as prescribed by a health care
- 20 provider; and



1 (2) Breastfeeding coverage, including breastfeeding
 2 support, counseling, and equipment for the duration of
 3 breastfeeding;
 4 provided that a health insurer shall not impose any cost-sharing
 5 requirements, including copayments, coinsurance, or deductibles,
 6 on a policyholder or individual with respect to the benefits
 7 covered under this subsection.

8 (c) This section shall not apply to policies that provide
 9 coverage for specified diseases or other limited benefit
 10 coverage, as provided pursuant to section 431:10A-102.5.

11 §431:10A- Extension of dependent coverage. A group
 12 accident and health or sickness insurance policy and a health
 13 insurer offering group or individual accident and health or
 14 sickness insurance coverage that provide coverage of dependent
 15 children shall continue to make such coverage available for an
 16 adult child until the child turns twenty-six years of age.
 17 Nothing in this section shall require a policy or health insurer
 18 to make coverage available for a child of a child receiving
 19 dependent coverage.

20 §431:10A- Prohibition of preexisting condition
 21 exclusions. (a) An accident and health or sickness insurance



1 policy issued or renewed in this State shall not impose any
2 preexisting condition exclusion.

3 (b) For purposes of this section, a "preexisting condition
4 exclusion" means a limitation or exclusion of benefits,
5 including a denial of coverage, based on the fact that any
6 condition was present before the effective date of coverage, or
7 if coverage is denied the date of the denial, under a group or
8 individual accident and health or sickness insurance policy,
9 whether or not any medical advice, diagnosis, care, or treatment
10 was recommended or received before that day.

11 The term "preexisting condition exclusion" includes any
12 limitation or exclusion of benefits, including a denial of
13 coverage, applicable to an individual as a result of information
14 relating to an individual's health status before the
15 individual's effective date of coverage, or if coverage is
16 denied the date of the denial, under a group or individual
17 accident and health or sickness insurance policy, including but
18 not limited to a limitation or exclusion for a condition
19 identified as a result of a pre-enrollment questionnaire or
20 physical examination, or a review of medical records relating to
21 the pre-enrollment period.



1 §431:10A- Prohibited discrimination in premiums or
2 contributions. A group accident and health or sickness
3 insurance policy and a health insurer offering group or
4 individual accident and health or sickness insurance coverage
5 issued or renewed in this State shall not require an individual,
6 as a condition of enrollment or continued enrollment under the
7 policy, to pay a premium or contribution based on the
8 individual's gender that is greater than the premium or
9 contribution for a similarly situated individual of the opposite
10 gender who is covered under the same policy."

11 SECTION 6. Chapter 432, Hawaii Revised Statutes, is
12 amended by adding four new sections to article 1 to be
13 appropriately designated and to read as follows:

14 "§432:1- Essential health care benefits. (a) Every
15 hospital or medical service plan contract issued or renewed in
16 this State shall include at least the following essential health
17 care benefits:

- 18 (1) Ambulatory patient services;
- 19 (2) Emergency services;
- 20 (3) Hospitalization benefits;
- 21 (4) Pregnancy, maternity, and newborn care;



1 (5) Mental health and substance use disorder services,
2 including behavioral health treatment, mental and
3 behavioral health inpatient services, and substance
4 use disorder treatment;

5 (6) Prescription drug coverage;

6 (7) Rehabilitative services and devices;

7 (8) Laboratory services;

8 (9) Preventive and wellness services and chronic disease
9 management; and

10 (10) Pediatric services, excluding oral and vision care.

11 (b) Hospital or medical service plan contracts delivered
12 or issued for delivery in this State shall also include the
13 following additional benefits:

14 (1) Contraceptive coverage, including contraceptive
15 methods and counseling, as prescribed by a health care
16 provider; and

17 (2) Breastfeeding coverage, including breastfeeding
18 support, counseling, and equipment for the duration of
19 breastfeeding;

20 provided that a mutual benefit society shall not impose any
21 cost-sharing requirements, including copayments, coinsurance, or



1 deductibles, on a member or subscriber with respect to the
2 benefits covered under this subsection.

3 (c) This section shall not apply to policies that provide
4 coverage for specified diseases or other limited benefit
5 coverage, as provided pursuant to section 431:10A-102.5.

6 §432:1- Extension of dependent coverage. A group
7 hospital or medical service plan contract and a mutual benefit
8 society offering group or individual hospital and medical
9 service plan contracts that provide coverage of dependent
10 children shall continue to make such coverage available for an
11 adult child until the child turns twenty-six years of age.

12 Nothing in this section shall require a plan contract to make
13 coverage available for a child of a child receiving dependent
14 coverage.

15 §432:1- Prohibition of preexisting condition exclusions.

16 (a) A hospital or medical service plan contract issued or
17 renewed in this State shall not impose any preexisting condition
18 exclusion.

19 (b) For purposes of this section, a "preexisting condition
20 exclusion" means a limitation or exclusion of benefits,
21 including a denial of coverage, based on the fact that any



1 condition was present before the effective date of coverage, or
2 if coverage is denied the date of the denial, under a group or
3 individual hospital and medical service plan contract, whether
4 or not any medical advice, diagnosis, care, or treatment was
5 recommended or received before that day.

6 The term "preexisting condition exclusion" includes any
7 limitation or exclusion of benefits, including a denial of
8 coverage, applicable to an individual as a result of information
9 relating to an individual's health status before the
10 individual's effective date of coverage, or if coverage is
11 denied the date of the denial, under a group or individual
12 hospital or medical service plan contract, including but not
13 limited to a limitation or exclusion for a condition identified
14 as a result of a pre-enrollment questionnaire or physical
15 examination or a review of medical records relating to the pre-
16 enrollment period.

17 §432:1- Prohibited discrimination in premiums or
18 contributions. A group hospital or medical service plan
19 contract and a mutual benefit society offering group or
20 individual hospital or medical service plan contracts issued or
21 renewed in this State shall not require an individual, as a



1 condition of enrollment or continued enrollment under the plan
2 contract, to pay a premium or contribution based on the
3 individual's gender that is greater than the premium or
4 contribution for a similarly situated individual of the opposite
5 gender who is covered under the same plan contract."

6 SECTION 7. Chapter 432D, Hawaii Revised Statutes, is
7 amended by adding four new sections to be appropriately
8 designated and to read as follows:

9 "§432D- Essential health care benefits. (a) Every
10 health maintenance organization policy, contract, plan, or
11 agreement issued or renewed in this State shall include at least
12 the following essential health care benefits:

- 13 (1) Ambulatory patient services;
- 14 (2) Emergency services;
- 15 (3) Hospitalization benefits;
- 16 (4) Pregnancy, maternity, and newborn care;
- 17 (5) Mental health and substance use disorder services,
18 including behavioral health treatment, mental and
19 behavioral health inpatient services, and substance
20 use disorder treatment;
- 21 (6) Prescription drug coverage;



- 1 (7) Rehabilitative services and devices;
- 2 (8) Laboratory services;
- 3 (9) Preventive and wellness services and chronic disease
- 4 management; and
- 5 (10) Pediatric services, excluding oral and vision care.

6 (b) Every health maintenance organization policy,
7 contract, plan, or agreement delivered or issued for delivery in
8 this State shall also include the following additional benefits:

9 (1) Contraceptive coverage, including contraceptive
10 methods and counseling, as prescribed by a health care
11 provider; and

12 (2) Breastfeeding coverage, including breastfeeding
13 support, counseling, and equipment for the duration of
14 breastfeeding;

15 provided that a health maintenance organization shall not impose
16 any cost-sharing requirements, including copayments,
17 coinsurance, or deductibles, on an enrollee or subscriber with
18 respect to the benefits covered under this subsection.

19 (c) This section shall not apply to policies that provide
20 coverage for specified diseases or other limited benefit
21 coverage, as provided pursuant to section 431:10A-102.5.



1 §432D- Extension of dependent coverage. A group
2 contract and a health maintenance organization offering group or
3 individual policies, contracts, plans, or agreements that
4 provide coverage of dependent children shall continue to make
5 such coverage available for an adult child until the child turns
6 twenty-six years of age. Nothing in this section shall require
7 a policy, contract, plan, or agreement to make coverage
8 available for a child of a child receiving dependent coverage.

9 §432D- Prohibition of preexisting condition exclusions.

10 (a) A health maintenance organization policy, contract, plan,
11 or agreement issued or renewed in this State shall not impose
12 any preexisting condition exclusion.

13 (b) For purposes of this section, a "preexisting condition
14 exclusion" means a limitation or exclusion of benefits,
15 including a denial of coverage, based on the fact that any
16 condition was present before the effective date of coverage, or
17 if coverage is denied the date of the denial, under a group or
18 individual health maintenance organization policy, contract,
19 plan, or agreement, whether or not any medical advice,
20 diagnosis, care, or treatment was recommended or received before
21 that day.



1 The term "preexisting condition exclusion" includes any
2 limitation or exclusion of benefits, including a denial of
3 coverage, applicable to an individual as a result of information
4 relating to an individual's health status before the
5 individual's effective date of coverage, or if coverage is
6 denied the date of the denial, under a group or individual
7 health maintenance organization policy, contract, plan, or
8 agreement, such as a condition identified as a result of a pre-
9 enrollment questionnaire or physical examination or a review of
10 medical records relating to the pre-enrollment period.

11 **§432D- Prohibited discrimination in premiums or**
12 **contributions.** A group contract and a health maintenance
13 organization offering group or individual policies, contracts,
14 plans, or agreements issued or renewed in this State shall not
15 require an individual, as a condition of enrollment or continued
16 enrollment under a policy, contract, plan, or agreement, to pay
17 a premium or contribution based on the individual's gender that
18 is greater than the premium or contribution for a similarly
19 situated individual of the opposite gender who is covered under
20 the same policy, contract, plan, or agreement."



1 SECTION 8. (a) There is established the affordable health
2 insurance working group to address the complexities of the
3 health care system in Hawaii and the related uncertainty over
4 the future of the federal Patient Protection and Affordable Care
5 Act of 2010, Public Law No. 111-148 (Affordable Care Act), in
6 light of the current Presidential Administration's pledge to
7 repeal and replace the Affordable Care Act.

8 (b) The working group shall consist of the following
9 members:

10 (1) The chairs of the senate committee on commerce,
11 consumer protection, and health and house committee on
12 health, who shall serve as chairs of the working
13 group;

14 (2) The chairs of the senate and house committees on human
15 services, who shall serve as vice-chairs of the
16 working group; and

17 (3) Representatives from administrative departments and
18 agencies who are currently involved in discussions
19 regarding the repeal of the Affordable Care Act and
20 the effect such a repeal would have in Hawaii,
21 including but not limited to the:



- 1 (A) Director of labor and industrial relations;
 - 2 (B) Director of human services;
 - 3 (C) Administrator of the department of human
 - 4 services, med-QUEST division; and
 - 5 (D) Insurance commissioner.
- 6 (c) The working group may hold informational briefings and
- 7 listening sessions to gather input from the public on issues
- 8 related to the repeal of the Affordable Care Act.
- 9 (d) The working group, with assistance from the
- 10 departments of budget and finance and taxation, will further
- 11 refine the framework for the minimum essential coverage premium
- 12 supplementation trust fund, established pursuant to section 2 of
- 13 this Act, and any additional legislation that may be required
- 14 regarding the trust fund.
- 15 (e) The working group may request assistance and feedback
- 16 from subject matter experts, as needed, to enable the working
- 17 group to carry out its work.
- 18 (f) The working group shall provide periodic updates to
- 19 the legislature and shall make recommendations for any
- 20 legislative or administrative action the working group deems
- 21 appropriate to address access to affordable health insurance in



1 Hawaii in the event of a repeal of the Affordable Care Act. The
2 working group shall submit a final report, including
3 recommendations for further action, to the legislature no later
4 than twenty days prior to the convening of the 2018 regular
5 session.

6 (g) The legislative reference bureau is requested to
7 provide staff, research, and drafting assistance to the working
8 group.

9 (h) The working group shall be officially convened at the
10 pleasure of the chairs and vice-chairs of the working group,
11 depending upon Congressional action related to the federal
12 Patient Protection and Affordable Care Act of 2010, Public Law
13 No. 111-148, but no later than August 1, 2017.

14 SECTION 9. Notwithstanding any other law to the contrary,
15 the requirements for essential health care benefits, extension
16 of dependent coverage, prohibition of preexisting condition
17 exclusions, and prohibition of discrimination in premiums and
18 contributions required under sections 5, 6, and 7 of this Act
19 shall apply to all health benefits plans under chapter 87A,
20 Hawaii Revised Statutes, issued, renewed, modified, altered, or
21 amended on or after the date of the repeal of the federal



1 Patient Protection and Affordable Care Act of 2010, Public Law
2 No. 111-148, pursuant to an act of Congress.

3 SECTION 10. New statutory material is underscored.

4 SECTION 11. This Act shall take effect on July 1, 2017;
5 provided that sections 2 through 7 and 9 shall take effect upon
6 the repeal of the federal Patient Protection and Affordable Care
7 Act of 2010, Public Law No. 111-148, pursuant to an act of
8 Congress and shall apply to all health coverage policies, plans,
9 contracts, and agreements issued on or after that date.



Report Title:

Health Insurance; Individual Mandate; Essential Benefits;
Covered Services; Extended Coverage; Preexisting Conditions;
Trust Fund; Medicaid Plus Program; Working Group

Description:

Ensures that benefits of the Affordable Care Act are preserved under state law in the case of repeal of the ACA by Congress. Preserves the individual mandate, minimum essential benefit requirements, extended dependent coverage, and prohibitions on preexisting condition exclusions and gender discrimination in premiums and costs. Establishes a trust fund and procedures to reimburse insurers for unrecouped costs of providing minimum essential insurance benefits. Establishes the medicaid plus program in DHS to provide insurance coverage to individuals and qualifying families whose income is between 138.5 per cent and 250 per cent of the federal poverty level for Hawaii. Establishes the affordable health insurance working group. Requires the working group to convene no later than 8/1/17 and report to the legislature before the regular session of 2018. Working group effective 7/1/2017; remaining substantive sections effective upon the repeal of the Affordable Care Act by Congress. (SD1)

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

