

## ACT 247

S.B. NO. 1130

A Bill for an Act Relating to Health Maintenance Organizations.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 432D-5, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

“~~[[§432D-5]]~~ **Annual [report.] and quarterly reports.** (a) Every health maintenance organization shall annually, on or before March 1, file a report verified by at least two principal officers with the commissioner covering the preceding calendar year. Each health maintenance organization shall file quarterly, on or before the forty-fifth day after each quarter, a copy of its quarterly report verified by at least two principal officers with the commissioner. [Such report] These reports shall comply with sections 431:3-301 and 431:3-302. The commissioner may prescribe on which forms the reports are to be filed. In addition, the health maintenance organization annually shall file with the commissioner the following by the dates specified:

- (1) An audit by a designated independent certified public accountant or accounting firm of the financial statements reporting the financial condition and results of operations of the health maintenance organization on or before June 1, or such later date as the commissioner upon request or for cause may specify. The health maintenance organization, on an annual basis and prior to the commencement of the audit, shall notify the commissioner in writing of the name and address of the person or firm retained to conduct the annual audit. The commissioner may disapprove the health maintenance organization's designation within fifteen days of receipt of the health maintenance organization's notice, and the health maintenance organization shall be required to designate another independent certified public accountant or accounting firm[.];
- (2) A list of the providers who have executed a contract that complies with section 432D-8(d) on or before March 1; and
- (3) A description of the grievance procedures, the total number of grievances handled through those procedures, a compilation of the causes underlying those grievances, and a summary of the final disposition of those grievances on or before March 1."

SECTION 2. Section 432D-17, Hawaii Revised Statutes, is amended to read as follows:

"~~[[~~~~§~~~~432D-17~~~~]]~~ Fees. (a) The commissioner shall collect in advance the following fees:

- (1) For filing an application for a certificate of authority or amendment thereto, \$600; and
- (2) For all services subsequent to the issuance of a certificate of authority (including extension of the certificate of authority), \$400.

(b) The commissioner shall notify the holder of the certificate of authority by written notice at least thirty days prior to the extension date of the certificate. If the fee is not paid before or on the extension date, a penalty shall be imposed in the amount of fifty per cent of the fee. If the fee and the penalty are not paid within thirty days immediately following the extension date, the commissioner may revoke the certificate of authority and shall not reinstate the certificate of authority until the fee and penalty have been paid.

[(b)] (c) All fees and penalties collected pursuant to this section and penalties collected pursuant to section 432D-14 shall be remitted by the commissioner to the director of finance and shall be placed to the credit of the general fund."

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 2, 1999.)