
A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1 SECTION 1. Section 431:2-201.5, Hawaii Revised Statutes,
2 is amended to read as follows:

3 **"§431:2-201.5 Conformity to federal law.** (a) The
4 provisions of Title 42 United States Code section 300gg, et
5 seq., as they relate to group and individual health insurance
6 shall apply to title 24, except:

7 (1) Where state law provides greater health benefits or
8 coverage than Title 42 United States Code section
9 300gg, et seq., state law shall be applicable; and

10 (2) This section shall not apply to or affect life
11 insurance, endowment, or annuity contracts, or any
12 supplemental contract thereto, described in section
13 431:10A-101(4).

14 (b) The following definitions shall be used when applying
15 Title 42 United States Code section 300gg, et seq.:

16 "Employee" means an employee who works on a full-time basis
17 with a normal workweek of twenty hours or more.



1 "Group health issuer" means all persons offering health
2 insurance coverage to any group or association, but shall not
3 include those persons offering benefits exempted from Title I of
4 the Health Insurance Portability and Accountability Act of 1996,
5 P.L. 104-191, under sections 732(c) and 733(c) of Title I of the
6 Employee Retirement Income Security Act of 1974 and sections
7 2747 and 2791(c) of the Public Health Service Act.

8 "Qualifying event" means the date of issuance of a general
9 excise tax license, the loss of a job, a reduction in hours of
10 work, or the exhaustion of benefits provided under the federal
11 Consolidated Omnibus Budget Reconstruction Act that results in a
12 loss of health care coverage.

13 "Self-employed individual" means a person operating the
14 person's own business, whether as a sole proprietorship or in
15 any other legally recognized manner in which a person may
16 operate the person's own business, and who has a general excise
17 tax license for that business.

18 "Small employer" means an employer who employs between one
19 and no more than fifty employees."

20 (c) All group health issuers shall offer all small group
21 health plans to all small employers whose employees live, work,
22 or reside in the group health issuer's service areas; provided



1 that the commissioner may exempt a group health issuer if the
2 commissioner determines that the group health issuer does not
3 have the capacity to deliver services adequately to enrollees of
4 additional groups given its obligation to existing employer
5 groups.

6 (d) Subject to subsection (d)(1), beginning September 1,
7 2007, and once annually thereafter, all group health issuers
8 shall offer small group health plans to self-employed
9 individuals who live, work, or reside in the group health
10 issuer's service areas; provided that the commissioner may
11 exempt a group health issuer if the commissioner determines that
12 the group health issuer does not have the capacity to deliver
13 services adequately to enrollees of additional groups given its
14 obligation to existing employer groups. Group health issuers
15 may limit periods of enrollment for self-employed individuals to
16 a minimum of thirty calendar days; provided that:

17 (1) Self-employed individuals who experience a qualifying
18 event shall enroll with a group health issuer within
19 thirty days of the occurrence of the qualifying event;
20 and
21 (2) Group health issuers shall be allowed to impose a one
22 year waiting period against self-employed individuals



1 who terminate coverage for any reason. If a self-
2 employed individual terminates coverage and a one year
3 waiting period is imposed against the individual, a
4 group health issuer shall not re-enroll the individual
5 until the period of enrollment following the
6 expiration of the one year waiting period.

7 ~~[(d)]~~ (e) A group health issuer shall be prohibited from
8 imposing any preexisting condition exclusion.

9 ~~[(e)]~~ (f) The commissioner may adopt rules to implement,
10 clarify, or conform title 24 to Title 42 United States Code
11 section 300gg, et seq.

12 ~~[(f)]~~ (g) The adoption of the Health Insurance Portability
13 and Accountability Act of 1996, P.L. 104-191, for the purposes
14 of title 24 is not an adoption for any purposes for income taxes
15 under chapter 235.

16 ~~[(g)]~~ (h) The State shall have jurisdiction over any
17 matter that Title 42 United States Code section 300gg, et seq.,
18 permits, including jurisdiction over enforcement.

19 ~~[(h)]~~ (i) As used in this section, "small group health
20 plans" means the medical plans currently offered, advertised, or
21 marketed by a group health issuer for small employers."



1 SECTION 2. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act shall take effect on July 1, 2020.



Report Title:

Group Health Insurance

Description:

Extends group health insurance coverage for small employers to include self-employed individuals with no employees or small businesses with only part-time employees. (SD1)

