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# A BILL FOR AN ACT

RELATING TO HEALTH INSURANCE.

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

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

4           "§431:10A-     Rate increases; public disclosures. For  
5 sixty days prior to the implementation of any rate increase, the  
6 commissioner and any insurer that provides health care coverage  
7 shall, at a minimum, make the following information readily  
8 available to the public on the commissioner and insurer's  
9 respective internet websites, in plain language and in a manner  
10 and format specified by the commissioner:

11           (1) Justifications for the rate increase, including all  
12 information and supporting documentation;

13           (2) The insurer's overall annual medical trend factor  
14 assumptions in each rate filing for all benefits;

15           (3) The insurer's actual costs, by aggregate benefit  
16 category to include hospital inpatient, hospital  
17 outpatient, physician services, prescription drugs and



1           other ancillary services, laboratory, and radiology;  
2           and  
3           (4) The amount of the projected trend attributable to the  
4           use of services, price inflation, or fees and risk for  
5           annual policy trends by aggregate benefit category to  
6           include hospital inpatient, hospital outpatient,  
7           physician services, prescription drugs and other  
8           ancillary services, laboratory, and radiology. An  
9           insurer that exclusively contracts with no more than  
10           two medical groups in the State to provide or arrange  
11           for professional medical services for the enrollees of  
12           the policy shall instead disclose the amount of its  
13           actual trend experience for the prior contract year by  
14           aggregate benefit category, using benefit categories  
15           that are, to the maximum extent possible, the same or  
16           similar to those used by other policies."

17           SECTION 2. Chapter 432, article 1, Hawaii Revised  
18 Statutes, is amended by adding a new section to part I to be  
19 appropriately designated and to read as follows:

20           "§432:1-     Rate increases; public disclosures. For sixty  
21 days prior to the implementation of any rate increase, the



1 commissioner and the mutual benefit society shall, at a minimum,  
2 make the following information readily available to the public  
3 on the commissioner and mutual benefit society's respective  
4 internet websites, in plain language and in a manner and format  
5 specified by the commissioner:

- 6       (1) Justifications for the rate increase, including all  
7       information and supporting documentation;
- 8       (2) The mutual benefit society's overall annual medical  
9       trend factor assumptions in each rate filing for all  
10       benefits;
- 11       (3) The mutual benefit society's actual costs, by  
12       aggregate benefit category to include hospital  
13       inpatient, hospital outpatient, physician services,  
14       prescription drugs and other ancillary services,  
15       laboratory, and radiology; and
- 16       (4) The amount of the projected trend attributable to the  
17       use of services, price inflation, or fees and risk for  
18       annual plan contract trends by aggregate benefit  
19       category, to include hospital inpatient, hospital  
20       outpatient, physician services, prescription drugs and  
21       other ancillary services, laboratory, and radiology.



1           A mutual benefit society that exclusively contracts  
2           with no more than two medical groups in the State to  
3           provide or arrange for professional medical services  
4           for the enrollees of the plan contract shall instead  
5           disclose the amount of its actual trend experience for  
6           the prior contract year by aggregate benefit category,  
7           using benefit categories that are, to the maximum  
8           extent possible, the same or similar to those used by  
9           other plan contracts."

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

13           "§432D-     Rate increases; public disclosures. For sixty  
14 days prior to the implementation of any rate increase, the  
15 commissioner and the health maintenance organization shall, at a  
16 minimum, make the following information readily available to the  
17 public on the commissioner and health maintenance organization's  
18 respective internet websites, in plain language and in a manner  
19 and format specified by the commissioner:

20           (1) Justifications for the rate increase, including all  
21           information and supporting documentation;



- 1        (2) The health maintenance organization's overall annual  
2        medical trend factor assumptions in each rate filing  
3        for all benefits;
- 4        (3) The health maintenance organization's actual costs, by  
5        aggregate benefit category to include hospital  
6        inpatient, hospital outpatient, physician services,  
7        prescription drugs and other ancillary services,  
8        laboratory, and radiology; and
- 9        (4) The amount of the projected trend attributable to the  
10       use of services, price inflation, or fees and risk for  
11       annual plan contract trends by aggregate benefit  
12       category, to include hospital inpatient, hospital  
13       outpatient, physician services, prescription drugs and  
14       other ancillary services, laboratory, and radiology.
- 15       A health maintenance organization that exclusively  
16       contracts with no more than two medical groups in the  
17       State to provide or arrange for professional medical  
18       services for the enrollees of the plan contract shall  
19       instead disclose the amount of its actual trend  
20       experience for the prior contract year by aggregate  
21       benefit category, using benefit categories that are,



1           to the maximum extent possible, the same or similar to  
2           those used by other plan contracts."

3           SECTION 4.   New statutory material is underscored.

4           SECTION 5.   This Act shall take effect on July 1, 2070.



**Report Title:**

Rate Filings; Disclosure

**Description:**

Requires the Insurance Commissioner and health insurers, mutual benefit societies, and health maintenance organizations to make public disclosure of rate filings information prior to a rate increase. (HB1707 HD1)

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

