

JAN 27 2016

S.B. NO. 3083

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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 two new sections to part VI to be  
3 appropriately designated and to read as follows:

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

- 10           (1) Justifications for any rate increases, including all  
11           information and supporting documentation as to why the  
12           rate increase is justified;
- 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,  
6           such as 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           §431:10A- Claims data to group purchasers. (a) An  
18           insurer shall annually provide claims data at no charge to a  
19           group purchaser if the group purchaser requests the claims data.



1        (b) The insurer shall provide claims data in an aggregated  
2 form so that the claims data do not identify or do not provide a  
3 reasonable basis from which to identify an individual.

4        (c) Nothing in this section shall be construed to prohibit  
5 an insurer and a group purchaser from negotiating the release of  
6 additional information not described in this section.

7        (d) All disclosures of data to the group purchaser made  
8 pursuant to this section shall be in compliance with applicable  
9 federal law."

10        SECTION 2. Chapter 432, article 1, Hawaii Revised  
11 Statutes, is amended by adding two new sections to part I to be  
12 appropriately designated and to read as follows:

13        "§432:1- Rate increases; public disclosures. For sixty  
14 days prior to the implementation of any rate increase, the  
15 commissioner and the mutual benefit society shall, at a minimum,  
16 make the following information readily available to the public  
17 on their respective internet websites, in plain language and in  
18 a manner and format specified by the commissioner:

19        (1) Justifications for any rate increases, including all  
20 information and supporting documentation as to why the  
21 rate increase is justified;



- 1        (2) The mutual benefit society's overall annual medical  
2        trend factor assumptions in each rate filing for all  
3        benefits;
- 4        (3) The mutual benefit society'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, such as hospital inpatient, hospital  
13       outpatient, physician services, prescription drugs and  
14       other ancillary services, laboratory, and radiology.
- 15       A mutual benefit society that exclusively contracts  
16       with no more than two medical groups in the State to  
17       provide or arrange for professional medical services  
18       for the enrollees of the policy shall instead disclose  
19       the amount of its actual trend experience for the  
20       prior contract year by aggregate benefit category,  
21       using benefit categories that are, to the maximum



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

3           §432:1- Claims data to group purchasers. (a) A mutual  
4 benefit society shall annually provide claims data at no charge  
5 to a group purchaser if the group purchaser requests the claims  
6 data.

7           (b) The mutual benefit society shall provide claims data  
8 in an aggregated form so that the claims data do not identify or  
9 do not provide a reasonable basis from which to identify an  
10 individual.

11           (c) Nothing in this section shall be construed to prohibit  
12 a mutual benefit society and a group purchaser from negotiating  
13 the release of additional information not described in this  
14 section.

15           (d) All disclosures of data to the group purchaser made  
16 pursuant to this section shall be in compliance with applicable  
17 federal law."

18           SECTION 3. Chapter 432D, Hawaii Revised Statutes, is  
19 amended by adding two new sections to be appropriately  
20 designated and to read as follows:

1        "§432D- Rate increases; public disclosures. For sixty  
2 days prior to the implementation of any rate increase, the  
3 commissioner and the health maintenance organization shall, at a  
4 minimum, make the following information readily available to the  
5 public on their respective internet websites, in plain language  
6 and in a manner and format specified by the commissioner:

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



1        outpatient, physician services, prescription drugs and  
2        other ancillary services, laboratory, and radiology.  
3        A health maintenance organization that exclusively  
4        contracts with no more than two medical groups in the  
5        State to provide or arrange for professional medical  
6        services for the enrollees of the policy shall instead  
7        disclose the amount of its actual trend experience for  
8        the prior contract year by aggregate benefit category,  
9        using benefit categories that are, to the maximum  
10       extent possible, the same or similar to those used by  
11       other plan contracts.

12       §432D- Claims data to group purchasers. (a) A health  
13       maintenance organization shall annually provide claims data at  
14       no charge to a group purchaser if the group purchaser requests  
15       the claims data.

16       (b) The health maintenance organization shall provide  
17       claims data in an aggregated form so that the claims data do not  
18       identify or do not provide a reasonable basis from which to  
19       identify an individual.

20       (c) Nothing in this section shall be construed to prohibit  
21       a health maintenance organization and a group purchaser from



1 negotiating the release of additional information not described  
2 in this section.

3 (d) All disclosures of data to the group purchaser made  
4 pursuant to this section shall be in compliance with applicable  
5 federal law."

6 SECTION 4. New statutory material is underscored.

7 SECTION 5. This Act shall take effect upon its approval.

8

INTRODUCED BY: *Randy H. Pab*





# S.B. NO. 3083

**Report Title:**

Rate Filings; Claims Data; 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. Requires health insurers, mutual benefit societies, and health maintenance organizations to disclose aggregated claims data to group purchasers upon request.

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

