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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. The legislature finds that the Patient  
2 Protection and Affordable Care Act of 2010 ("Affordable Care  
3 Act"), P.L. 111-148, has resulted in an estimated 20,000,000  
4 Americans gaining health insurance coverage. The provisions  
5 under the Affordable Care Act made changes to private insurance  
6 that expanded coverage options, including permitting young  
7 adults to remain on their parents' health insurance plans,  
8 requiring health insurance plans to cover people with  
9 preexisting health conditions, and prohibiting discrimination  
10 based on gender. According to a report from the United States  
11 Department of Health and Human Services, more than 6,000,000  
12 uninsured young adults ages nineteen to twenty-five have gained  
13 health insurance coverage due to the Affordable Care Act. This  
14 is especially important because young adults were particularly  
15 likely to be uninsured before the law went into effect.

16           The legislature further finds that the future of the  
17 Affordable Care Act remains uncertain. The current Presidential



1 administration campaigned on a promise to repeal the Affordable  
2 Care Act, and certain members of Congress have supported that  
3 approach, which could have widespread and devastating  
4 ramifications. The Urban Institute has estimated that repealing  
5 the Affordable Care Act without an adequate replacement plan  
6 that ensures affordable coverage would take health insurance  
7 coverage away from 29,800,000 people nationwide by 2019, more  
8 than doubling the total number of uninsured to 58,700,000.

9 The legislature concludes that, due to the uncertainty over  
10 the future of the Affordable Care Act, it is vital to preserve  
11 certain important aspects of the Act for residents of Hawaii.

12 Accordingly, the purpose of this Act is to ensure that the  
13 following benefits made available under the Affordable Care Act,  
14 which may not otherwise be available under the State's Prepaid  
15 Health Care Act, remain available under Hawaii law:

- 16 (1) Extending dependent coverage for adult children until  
17 the children turn twenty-six years of age;
- 18 (2) Prohibiting health insurance entities from imposing a  
19 preexisting condition exclusion; and



1 (3) Prohibiting health insurance entities from using an  
2 individual's gender to determine premiums or  
3 contributions.

4 SECTION 2. Chapter 431, Hawaii Revised Statutes, is  
5 amended by adding three new sections to part I of article 10A to  
6 be appropriately designated and to read as follows:

7 "§431:10A- Extension of dependent coverage. An  
8 individual policy of accident and health or sickness insurance  
9 and a health insurer offering individual accident and health or  
10 sickness insurance coverage that provides dependent coverage of  
11 children shall continue to make that coverage available for an  
12 adult child until the child turns twenty-six years of age.  
13 Nothing in this section shall require a policy or health insurer  
14 to make coverage available for a child of a child receiving  
15 dependent coverage. This section shall not apply to limited  
16 benefit health insurance as provided pursuant to section  
17 431:10A-102.5.

18 §431:10A- Prohibition of preexisting condition  
19 exclusions. (a) No individual policy of accident and health or  
20 sickness insurance issued or renewed in this State shall impose  
21 any preexisting condition exclusion.



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

10        The term "preexisting condition exclusion" includes any  
11 limitation or exclusion of benefits, including a denial of  
12 coverage, applicable to an individual as a result of information  
13 relating to an individual's health status before the  
14 individual's effective date of coverage (or if coverage is  
15 denied, the date of the denial) under an individual policy of  
16 accident and health or sickness insurance, such as a condition  
17 identified as a result of a pre-enrollment questionnaire or  
18 physical examination given to the individual or a review of  
19 medical records relating to the pre-enrollment period.

20        (c) This section shall not apply to limited benefit health  
21 insurance as provided pursuant to section 431:10A-102.5.



1        §431:10A-        Prohibited discrimination in premiums or  
2 contributions. (a) No individual policy of accident and health  
3 or sickness insurance and no health insurer offering individual  
4 accident and health or sickness insurance coverage issued or  
5 renewed in this State shall require an individual, as a  
6 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 or a substantially  
11 similar policy offered by the same insurer.

12        (b) This section shall not apply to limited benefit health  
13 insurance as provided pursuant to section 431:10A-102.5."

14        SECTION 3. Chapter 431, Hawaii Revised Statutes, is  
15 amended by adding three new sections to part II of article 10A  
16 to be appropriately designated and to read as follows:

17        "§431:10A-        Extension of dependent coverage. A group  
18 policy of accident and health or sickness insurance and a health  
19 insurer offering group accident and health or sickness insurance  
20 coverage that provides dependent coverage of children shall  
21 continue to make that coverage available for an adult child



1 until the child turns twenty-six years of age. Nothing in this  
2 section shall require a policy or health insurer to make  
3 coverage available for a child of a child receiving dependent  
4 coverage. This section shall not apply to limited benefit  
5 health insurance as provided pursuant to section 431:10A-102.5.

6 §431:10A- Prohibition of preexisting condition  
7 exclusions. (a) No group policy of accident and health or  
8 sickness insurance issued or renewed in this State shall impose  
9 any preexisting condition exclusion.

10 (b) For purposes of this section, a "preexisting condition  
11 exclusion" means a limitation or exclusion of benefits,  
12 including a denial of coverage, based on the fact that the  
13 condition was present before the effective date of coverage (or  
14 if coverage is denied, the date of the denial) under a group  
15 policy of accident and health or sickness insurance, whether or  
16 not any medical advice, diagnosis, care, or treatment was  
17 recommended or received before that day and includes any  
18 condition.

19 The term "preexisting condition exclusion" includes any  
20 limitation or exclusion of benefits, including a denial of  
21 coverage, applicable to an individual as a result of information



1 relating to an individual's health status before the  
2 individual's effective date of coverage (or if coverage is  
3 denied, the date of the denial) under a group policy of accident  
4 and health or sickness insurance, such as a condition identified  
5 as a result of a pre-enrollment questionnaire or physical  
6 examination given to the individual, or review of medical  
7 records relating to the pre-enrollment period.

8 (c) This section shall not apply to limited benefit health  
9 insurance as provided pursuant to section 431:10A-102.5.

10 §431:10A- Prohibited discrimination in premiums or  
11 contributions. (a) No group policy of accident and health or  
12 sickness insurance and no health insurer offering group accident  
13 and health or sickness insurance coverage issued or renewed in  
14 this State shall require an individual, as a condition of  
15 enrollment or continued enrollment under the policy, to pay a  
16 premium or contribution based on the individual's gender that is  
17 greater than the premium or contribution for a similarly  
18 situated individual of the opposite gender who is covered under  
19 the same policy or a substantially similar policy offered by the  
20 same insurer.



1        (b) This section shall not apply to limited benefit health  
2 insurance as provided pursuant to section 431:10A-102.5."

3        SECTION 4. Chapter 432, Hawaii Revised Statutes, is  
4 amended by adding three new sections to article 1 to be  
5 appropriately designated and to read as follows:

6        "§432:1-        Extension of dependent coverage. Each  
7 individual or group hospital or medical service plan contract  
8 and each mutual benefit society offering individual or group  
9 hospital or medical service plan contracts that provide  
10 dependent coverage of children shall continue to make that  
11 coverage available for an adult child until the child turns  
12 twenty-six years of age. Nothing in this section shall require  
13 a plan contract to make coverage available for a child of a  
14 child receiving dependent coverage.

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

16        (a) No individual or group hospital or medical service plan  
17 contract issued or renewed in this State shall impose any  
18 preexisting condition 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 the



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

7 The term "preexisting condition exclusion" includes any  
8 limitation or exclusion of benefits, including a denial of  
9 coverage, applicable to an individual as a result of information  
10 relating to an individual's health status before the  
11 individual's effective date of coverage (or if coverage is  
12 denied, the date of the denial) under an individual or group  
13 hospital or medical service plan contract, such as a condition  
14 identified as a result of a pre-enrollment questionnaire or  
15 physical examination given to the individual, or review of  
16 medical records relating to the pre-enrollment period.

17 §432:1- Prohibited discrimination in premiums or  
18 contributions. No individual or group hospital or medical  
19 service plan contract and no mutual benefit society offering  
20 individual or group hospital or medical service plan contracts  
21 issued or renewed in this State shall require an individual, as



1 a 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 or a  
6 substantially similar plan contract offered by the same mutual  
7 benefit society."

8 SECTION 5. Chapter 432D, Hawaii Revised Statutes, is  
9 amended by adding three new sections to be appropriately  
10 designated and to read as follows:

11 "§432D- Extension of dependent coverage. Each  
12 individual or group policy, contract, plan, or agreement and  
13 each health maintenance organization offering individual or  
14 group policies, contracts, plans, or agreements that provides  
15 dependent coverage of children shall continue to make that  
16 coverage available for an adult child until the child turns  
17 twenty-six years of age. Nothing in this section shall require  
18 a policy, contract, plan, or agreement to make coverage  
19 available for a child of a child receiving dependent coverage.

20 §432D- Prohibition of preexisting condition exclusions.

21 (a) No individual or group health maintenance organization



1 policy, contract, plan, or agreement issued or renewed in this  
2 State shall impose any 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 the  
6 condition was present before the effective date of coverage (or  
7 if coverage is denied, the date of the denial) under an  
8 individual or group health maintenance organization policy,  
9 contract, plan, or agreement, whether or not any medical advice,  
10 diagnosis, care, or treatment was recommended or received before  
11 that day and includes any condition.

12 The term "preexisting condition exclusion" includes any  
13 limitation or exclusion of benefits, including a denial of  
14 coverage, applicable to an individual as a result of information  
15 relating to an individual's health status before the  
16 individual's effective date of coverage (or if coverage is  
17 denied, the date of the denial) under an individual or group  
18 health maintenance organization policy, contract, plan, or  
19 agreement, such as a condition identified as a result of a pre-  
20 enrollment questionnaire or physical examination given to the



1 individual, or review of medical records relating to the pre-  
2 enrollment period.

3       §432D- Prohibited discrimination in premiums or  
4 contributions. No individual or group policy, contract, plan,  
5 or agreement and no health maintenance organization offering  
6 group or individual policies, contracts, plans, or agreements  
7 issued or renewed in this State shall require an individual, as  
8 a condition of enrollment or continued enrollment under a  
9 policy, contract, plan, or agreement, to pay a premium or  
10 contribution based on the individual's gender that is greater  
11 than the premium or contribution for a similarly situated  
12 individual of the opposite gender who is covered under the same  
13 policy, contract, plan, or agreement or a substantially similar  
14 policy, contract, plan, or agreement offered by the same health  
15 maintenance organization."

16       SECTION 6. New statutory material is underscored.

17       SECTION 7. This Act shall take effect on July 1, 2050.



**Report Title:**

Health Insurance; Extended Coverage; Preexisting Conditions;  
Nondiscrimination

**Description:**

Ensures certain benefits under the federal Affordable Care Act are preserved under Hawaii law, including: extending dependent coverage for adult children up to 26 years of age; prohibiting health insurance entities from imposing a preexisting condition exclusion; and prohibiting health insurance entities from using an individual's gender to determine premiums or contributions. Clarifies that benefits extended by this measure do not apply to limited benefit health insurance. Effective 7/1/2050. (SB2340 HD1)

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

