

JAN 19 2018

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 twenty million
4 Americans gaining health insurance coverage. The provisions
5 under the Affordable Care Act that afforded coverage to the
6 uninsured include changes in private insurance that permit young
7 adults to remain on their parents' health insurance plans,
8 require health insurance plans to cover people with preexisting
9 health conditions, and prohibit discrimination based on gender.
10 According to a report from the United States Department of
11 Health and Human Services, more than six million uninsured young
12 adults ages nineteen to twenty-five have gained health insurance
13 coverage due to the Affordable Care Act. This is especially
14 important because young adults were particularly likely to be
15 uninsured before the law went into effect.

16 The legislature further finds that the future of the
17 Affordable Care Act faces uncertainty. 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 accident and health or sickness insurance policy and
9 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.

16 §431:10A- Prohibition of preexisting condition
17 exclusions. (a) No individual accident and health or sickness
18 insurance policy issued or renewed in this State shall impose
19 any preexisting condition exclusion.

20 (b) For purposes of this section, a "preexisting condition
21 exclusion" means a limitation or exclusion of benefits,



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

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

18 §431:10A- Prohibited discrimination in premiums or
19 contributions. No individual accident and health or sickness
20 insurance policy and no health insurer offering individual
21 accident and health or sickness insurance coverage issued or



1 renewed in this State shall require an individual, as a
2 condition of enrollment or continued enrollment under the
3 policy, to pay a premium or contribution based on the
4 individual's gender that is greater than the premium or
5 contribution for a similarly situated individual of the opposite
6 gender who is covered under the same policy or a substantially
7 similar policy offered by the same insurer."

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

11 "§431:10A- Extension of dependent coverage. A group
12 accident and health or sickness insurance policy and a health
13 insurer offering group accident and health or sickness insurance
14 coverage that provides dependent coverage of children shall
15 continue to make that coverage available for an adult child
16 until the child turns twenty-six years of age. Nothing in this
17 section shall require a policy or health insurer to make
18 coverage available for a child of a child receiving dependent
19 coverage.

20 §431:10A- Prohibition of preexisting condition
21 exclusions. (a) No group accident and health or sickness



1 insurance policy issued or renewed in this State shall impose
2 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 a group
8 accident and health or sickness insurance policy, whether or not
9 any medical advice, diagnosis, care, or treatment was
10 recommended or received before that day and includes any
11 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 a group accident and
18 health or sickness insurance policy, such as a condition
19 identified as a result of a pre-enrollment questionnaire or
20 physical examination given to the individual, or review of
21 medical records relating to the pre-enrollment period.



1 §431:10A- Prohibited discrimination in premiums or
2 contributions. No group accident and health or sickness
3 insurance policy and no health insurer offering group accident
4 and health or sickness insurance coverage issued or renewed in
5 this State shall require an individual, as a condition of
6 enrollment or continued enrollment under the policy, to pay a
7 premium or contribution based on the individual's gender that is
8 greater than the premium or contribution for a similarly
9 situated individual of the opposite gender who is covered under
10 the same policy or a substantially similar policy offered by the
11 same insurer."

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

15 "§432:1- Extension of dependent coverage. Each
16 individual and group hospital or medical service plan contract
17 and each mutual benefit society offering group or individual
18 hospital and medical service plan contracts that provides
19 dependent coverage of children shall continue to make that
20 coverage available for an adult child until the child turns
21 twenty-six years of age. Nothing in this section shall require



1 a plan contract to make coverage available for a child of a
2 child receiving dependent coverage.

3 §432:1- Prohibition of preexisting condition

4 exclusions. (a) No individual or group hospital or medical
5 service plan contract issued or renewed in this State shall
6 impose any preexisting condition exclusion.

7 (b) For purposes of this section, a "preexisting condition
8 exclusion" means a limitation or exclusion of benefits,
9 including a denial of coverage, based on the fact that the
10 condition was present before the effective date of coverage (or
11 if coverage is denied, the date of the denial) under a group or
12 individual hospital and medical service plan contract, whether
13 or not any medical advice, diagnosis, care, or treatment was
14 recommended or received before that day and includes any
15 condition.

16 The term "preexisting condition exclusion" includes any
17 limitation or exclusion of benefits, including a denial of
18 coverage, applicable to an individual as a result of information
19 relating to an individual's health status before the
20 individual's effective date of coverage (or if coverage is
21 denied, the date of the denial) under a group or individual



1 hospital and medical service plan contract, such as a condition
2 identified as a result of a pre-enrollment questionnaire or
3 physical examination given to the individual, or review of
4 medical records relating to the pre-enrollment period.

5 §432:1- Prohibited discrimination in premiums or
6 contributions. No individual or group hospital or medical
7 service plan contract and no mutual benefit society offering
8 group or individual hospital and medical service plan contracts
9 issued or renewed in this State shall require an individual, as
10 a condition of enrollment or continued enrollment under the plan
11 contract, to pay a premium or contribution based on the
12 individual's gender that is greater than the premium or
13 contribution for a similarly situated individual of the opposite
14 gender who is covered under the same plan contract or a
15 substantially similar plan contract offered by the same mutual
16 benefit society."

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

20 "§432D- Extension of dependent coverage. Each
21 individual and group contract and each health maintenance



1 organization offering group or individual policies, contracts,
2 plans, or agreements that provides dependent coverage of
3 children shall continue to make that coverage available for an
4 adult child until the child turns twenty-six years of age.

5 Nothing in this section shall require a policy, contract, plan,
6 or agreement to make coverage available for a child of a child
7 receiving dependent coverage.

8 §432D- Prohibition of preexisting condition exclusions.

9 (a) No individual or group health maintenance organization
10 policy, contract, plan, or agreement issued or renewed in this
11 State shall impose any preexisting condition exclusion.

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



1 The term "preexisting condition exclusion" includes any
2 limitation or exclusion of benefits, including a denial of
3 coverage, applicable to an individual as a result of information
4 relating to an individual's health status before the
5 individual's effective date of coverage (or if coverage is
6 denied, the date of the denial) under a group or individual
7 health maintenance organization policy, contract, plan, or
8 agreement, such as a condition identified as a result of a pre-
9 enrollment questionnaire or physical examination given to the
10 individual, or review of medical records relating to the pre-
11 enrollment period.

12 §432D- Prohibited discrimination in premiums or
13 contributions. No individual or group contract and no health
14 maintenance organization offering group or individual policies,
15 contracts, plans, or agreements issued or renewed in this State
16 shall require an individual, as a condition of enrollment or
17 continued enrollment under a policy, contract, plan, or
18 agreement, to pay a premium or contribution based on the
19 individual's gender that is greater than the premium or
20 contribution for a similarly situated individual of the opposite
21 gender who is covered under the same policy, contract, plan, or



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1 agreement or a substantially similar policy, contract, plan, or
2 agreement offered by the same health maintenance organization."

3 SECTION 6. New statutory material is underscored.

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

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S.B. NO. 2340

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.

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

