
A BILL FOR AN ACT

RELATING TO HEALTH INSURANCE NAVIGATORS.

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

1 SECTION 1. In 2013, the Hawaii Health Insurance Exchange,
2 also known as the Hawaii Health Connector, was established in
3 response to the federal Patient Protection and Affordable Care
4 Act, popularly known as "Obamacare." Under the federal Act, the
5 federal government is awarding millions of dollars to community-
6 based organizations to assemble and train so-called "community
7 navigators" to help consumers understand and comply with the new
8 law.

9 The legislature finds that these navigators will be
10 employed to help individuals and small businesses explore and
11 purchase health insurance plans. The legislature further finds
12 that licensing and regulation of such navigators to ensure that
13 they are trained and knowledgeable in the subject matter of
14 individual and group health insurance plans and insurance
15 coverage is necessary to avoid substantial risk to the health,
16 safety, and welfare of the residents of this state. This
17 finding is based on reports that have surfaced nationwide
18 exposing improper conduct by health insurance navigators,



1 including, but not limited to, giving enrollees misinformation;
2 failing to secure consumers' health information and confidential
3 personal information such as social security numbers;
4 encouraging consumers to commit tax fraud by underreporting
5 income in order to qualify for federal health insurance
6 subsidies; and accepting "kickbacks" for steering consumers
7 toward particular health plans.

8 The purpose of this Act is to establish licensing,
9 examination, and renewal requirements for health insurance
10 navigators operating in conjunction with the Hawaii Health
11 Insurance Exchange.

12 SECTION 2. Chapter 435H, Hawaii Revised Statutes, is
13 amended by adding a new section to be appropriately designated
14 and to read as follows:

15 "§435H- Community navigators; licensing and renewal.

16 (a) No navigator shall provide advice, guidance, or other
17 assistance with regard to health benefit plans as a navigator
18 under the provisions of the federal act unless licensed in
19 accordance with this section.

20 (b) The commissioner shall not issue a license to any
21 applicant who does not meet or conform to the following
22 qualifications or requirements:



- 1 (1) The applicant shall establish to the satisfaction of
2 the commissioner that he or she has the background,
3 experience, knowledge, and competency in the subject
4 matter that will enable him or her to deliver accurate
5 information and advice to individuals and groups in
6 this state seeking to obtain health insurance coverage
7 under the provisions of the federal act;
- 8 (2) The applicant shall have successfully completed not
9 less than fifty hours of instruction in health benefit
10 insurance, the exchange provisions of the federal act,
11 the provisions of Hawaii's Prepaid Health Care Act as
12 set out in Chapter 393, Hawaii Revised Statutes,
13 protection of the privacy of consumers' personal and
14 financial information, relevant provisions of the
15 Hawaii insurance code, and any other subjects deemed
16 necessary by the commissioner; provided further that
17 the training program and materials are to be approved
18 by the commissioner;
- 19 (3) The applicant shall pass an examination as required by
20 the commissioner, unless such applicant is exempted by
21 the commissioner based on the applicant's experience
22 and qualifications and pursuant to the rules and



1 regulations adopted by the department of commerce and
2 consumer affairs;

3 (4) An applicant shall be not less than eighteen years of
4 age and of good moral character, and must submit in a
5 form approved by the commissioner such information,
6 including without limitation criminal history and
7 regulatory background information, as the commissioner
8 may require; and

9 (5) An applicant for a renewal license shall have
10 completed continuing education classes, as approved by
11 the commissioner.

12 (c) No navigator shall solicit any person or business that
13 is currently insured under an existing health benefit plan.

14 (d) No navigator shall receive any commission,
15 compensation, or anything of value from any insurer, health
16 benefit plan, business, or consumer for providing advice or
17 services specifically authorized to be provided as a navigator
18 pursuant to the provisions of the federal act. Navigators shall
19 be compensated for advice or services rendered pursuant to the
20 provisions of the federal act only as provided for by the
21 federal act and any applicable state laws or rules.



1 (e) Navigators shall provide factually accurate
2 information to uninsured persons and businesses regarding the
3 availability of premium tax credits under Section 36B of the
4 Internal Revenue Code of 1986 and cost-sharing reductions under
5 Section 1402 of the federal act.

6 (f) Notwithstanding any other provision of law, licensing
7 as a navigator pursuant to the provisions of this article shall
8 not constitute licensing as an insurance agent or administrator
9 as defined in state law; provided, however, that the provisions
10 of this subsection shall not prohibit the holder of a license
11 issued pursuant to another section of the Hawaii insurance code
12 from being compensated for advice or services rendered as a
13 licensee and not as a navigator. Navigators licensed pursuant
14 to the provisions of this section shall not, except as
15 specifically authorized by the provisions of the federal act:

16 (1) Engage in any activities that would require licensing
17 pursuant to another section of the Hawaii insurance
18 code;

19 (2) Provide advice concerning the benefits, terms, and
20 features of a particular health benefit plan or offer
21 advice about which health benefit plan is better or
22 worse for a particular individual or business, in a



1 manner inconsistent with the provisions of the federal
2 act and any applicable state laws or rules; or
3 (3) Recommend a particular health benefit plan or advise
4 individuals or businesses about which health benefit
5 plan to choose, in a manner inconsistent with the
6 provisions of the federal act and any applicable state
7 laws or rules.

8 (g) Violation of any provision of this section or the
9 federal act, including any act or omission that would be a
10 ground for denial, suspension, or revocation of an insurance
11 agent's license pursuant to state laws or rules, shall be a
12 ground for denial, suspension, or revocation of a navigator's
13 license under this section."

14 SECTION 3. Section 435H-1, Hawaii Revised Statutes, is
15 amended by adding three new definitions to be appropriately
16 inserted and to read as follows:

17 "Exchange" means the Hawaii Health Insurance Exchange,
18 also known as the Hawaii Health Connector, established pursuant
19 to chapter 435H, Hawaii Revised Statutes.

20 "Federal act" means the federal Patient Protection and
21 Affordable Care Act (Public Law 111-148), as amended by the
22 federal Health Care and Education Reconciliation Act of 2010



1 (Public Law 111-152), and regulations or guidance issued
2 thereunder.

3 "Navigator" means an individual, including assistors,
4 application counselors, or other persons, authorized pursuant to
5 the federal act to provide insurance advice and guidance to
6 uninsured individuals and groups seeking health insurance
7 coverage. For the purposes of this chapter, if an organization
8 or business entity serves as a navigator, an individual
9 performing navigator duties for that organization or business
10 entity shall be considered to be acting in the capacity of a
11 navigator."

12 SECTION 4. The department of commerce and consumer affairs
13 shall adopt rules pursuant to chapter 91 to effectuate the
14 purposes of this Act.

15 SECTION 5. New statutory material is underscored.

16 SECTION 6. This Act shall take effect upon its approval.

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H.B. NO. 1820

Report Title:

Health; Health Insurance; Community Navigators

Description:

Establishes licensing, examination, and annual renewal requirements for community navigators assisting consumers with the purchase of health insurance in conjunction with the Hawaii Health Insurance Exchange.

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

