

JAN 19 2023

A BILL FOR AN ACT

RELATING TO HEALTH CARE COST-SHARING ARRANGEMENTS.

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

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

4 "§431:3- Health care cost-sharing arrangement; reporting
5 requirements; disclosure. (a) A person, other than a producer,
6 that offers, operates, manages, or administers a health care
7 cost-sharing arrangement shall submit to the commissioner, by
8 October 1, 2024, and by March 1 of each year thereafter:

9 (1) The following information:

10 (A) The total number of individuals and households
11 that participated in the health care cost-sharing
12 arrangement in the State, in the immediately
13 preceding calendar year;

14 (B) The total number of employer groups that
15 participated in the health care cost-sharing
16 arrangement in the State in the immediately
17 preceding calendar year, specifying the total



- 1 number of participating individuals in the
- 2 participating employer group;
- 3 (C) If the person offers a health care cost-sharing
- 4 arrangement in other states, the total number of
- 5 participants in this health care cost-sharing
- 6 arrangement nationally;
- 7 (D) Any contracts the person has entered into with
- 8 providers in the State that provide health care
- 9 services to health care cost-sharing arrangement
- 10 participants;
- 11 (E) The total number amount of fees, dues, or other
- 12 payments collected by the person in the
- 13 immediately preceding calendar year from
- 14 individuals, employer groups, or others who
- 15 participated in the health care cost-sharing
- 16 arrangement in the State, specifying their
- 17 percentage of fees, dues, or other payments
- 18 retained by the person for administrative
- 19 expenses;
- 20 (F) The total dollar amount of requests for
- 21 reimbursement of health care costs or services

1 submitted in the State in the immediately
2 preceding calendar year by participants in the
3 health care cost-sharing arrangement or providers
4 that provided health care services to health care
5 cost-sharing arrangement participants;

6 (G) The total dollar amount of requests for
7 reimbursement of health care costs or services
8 that were submitted in the State and were
9 determined to qualify for reimbursement under the
10 health care cost-sharing arrangement in the
11 immediately preceding calendar year;

12 (H) The total amount of payments made to providers in
13 the State in the immediately preceding calendar
14 year for healthcare services provided to, or
15 received by, a health care cost-sharing
16 arrangement participant;

17 (I) The total amount of reimbursements made to health
18 care cost-sharing arrangement participants in the
19 State in the immediately preceding calendar year
20 for healthcare services provided to, or received



1 by, a health care cost-sharing arrangement
2 participant;

3 (J) The total number of requests for reimbursement of
4 health care costs or services submitted in the
5 State in the immediately preceding calendar year
6 that were denied, expressed as a percentage of
7 total reimbursement requests submitted in that
8 calendar year, and the total number of
9 reimbursement requests denials that were
10 appealed;

11 (K) The total amount of health care expenses
12 submitted in the State by health care cost-
13 sharing arrangement participants or providers in
14 the immediately preceding calendar year that
15 qualify for reimbursement pursuant to the health
16 care cost-sharing arrangement criteria but that,
17 as of the end of the calendar year, have not been
18 reimbursed, excluding any amounts that the health
19 care cost-sharing arrangement participants
20 incurring the health care costs are required to



- 1 pay before receiving reimbursement under the
- 2 health care cost-sharing arrangement;
- 3 (L) The estimated number of health care cost-sharing
- 4 arrangement participants the person is
- 5 anticipating in the State in the next calendar
- 6 year, specifying the estimated number of
- 7 individuals, households, employer groups, and
- 8 employees;
- 9 (M) The specific counties in the State in which the
- 10 person:
- 11 (i) Offered a health care cost-sharing
- 12 arrangement in the immediately preceding
- 13 calendar year; and
- 14 (ii) Intends to offer a health care cost-sharing
- 15 arrangement in the next calendar year;
- 16 (N) Other states in which the person offers a health
- 17 care cost-sharing arrangement;
- 18 (O) A list of any third parties, other than a
- 19 producer, that are associated with or assist the
- 20 person in offering or enrolling participants in
- 21 the State in the health care cost-sharing



1 arrangement, copies of any training materials
2 provided to a third party, and a detailed
3 accounting of any commissions or other fees or
4 remuneration paid to a third party in the
5 immediately preceding calendar year for:
6 (i) Marketing, promoting, or enrolling
7 participants in a health care cost-sharing
8 arrangement offered by the person in the
9 State; or
10 (ii) Operating, managing, or administering a
11 health care cost-sharing arrangement offered
12 by the person in the State;
13 (P) The total number of producers that are associated
14 with or assist the person in offering or
15 enrolling participants in the State in the health
16 care cost-sharing arrangement; the total number
17 of participants enrolled in the health care cost-
18 sharing arrangement through a producer; copies of
19 any training materials provided to a producer;
20 and a detailed accounting of any commissions or
21 other fees or remuneration paid to a producer in



1 the immediately preceding calendar year for
2 marketing, promoting, or enrolling participants
3 in a health care cost-sharing arrangement offered
4 by the person in the State;

5 (Q) Copies of any consumer-facing and marketing
6 materials used in the State in promotion of the
7 health care cost-sharing arrangement, including
8 health care cost-sharing arrangement and benefit
9 descriptions and other materials that explain the
10 health care cost-sharing arrangement;

11 (R) The name, mailing address, e-mail address, and
12 telephone number of an individual serving as a
13 contact for the person in the State;

14 (S) A list of any parent companies, subsidiaries, and
15 other names that the person has operated under at
16 any time within the immediately preceding five
17 calendar years; and

18 (T) An organizational chart for the person and a list
19 of the officers and directors of the person;

20 (2) A certification by an officer of the person that, to
21 the best of the person's good-faith knowledge and



1 belief, the information submitted is accurate and
2 satisfies the requirements of this subsection.

3 (b) If the person subject to the requirements of
4 subsection (a) fails to submit the required information or
5 certification, the submission shall be deemed incomplete. The
6 commissioner shall make a determination of completeness no later
7 than forty-five days after the submission. If the commissioner
8 has not informed the person of any deficiencies in the
9 submission within forty-five days after receiving the
10 submission, the submission shall be considered complete.

11 (c) If the commissioner determines that a person has
12 failed to comply with the requirements of subsection (a), the
13 commissioner shall:

14 (1) Notify the person that the submission is incomplete
15 and enumerate in the notification each deficiency
16 found in the person's submission; and

17 (2) Allow the person thirty days after notice of the
18 incomplete submission to remedy the deficiency found
19 in the submission.



1 (d) If the person does not remedy the deficiency within
2 the thirty-day period, the commissioner may levy a fine not to
3 exceed five thousand dollars per day.

4 (e) If the person does not remedy the deficiency or
5 deficiencies within thirty days after the initial fine is
6 levied, the commissioner may issue a cease-and-desist order in
7 accordance with section 431:2-203.

8 (f) The commissioner shall:

9 (1) On or before April 1, 2024, and on or before each
10 October 1 thereafter:

11 (A) Prepare a written report summarizing the
12 information submitted by persons pursuant to
13 subsection (a); and

14 (B) Post on the official website of the insurance
15 division, the report and accurate and evidence-
16 based information about the persons who submitted
17 information pursuant to subsection (a), including
18 how consumers may file complaints; and

19 (2) Determine the market impact, financial viability, and
20 accuracy of advertising with regard to health care
21 cost-sharing arrangements in the State and submit a



1 report of its findings and recommendations, including
2 any proposed legislation, to the legislature no later
3 than twenty days prior to the convening of each
4 regular session.

5 (g) The commissioner may adopt rules as necessary to
6 implement this section.

7 (h) This section does not apply to any consumer payment
8 arrangements identified by the commissioner by rule, including
9 consumer payment plans offered directly by a provider to a
10 patient or the party responsible for payment on behalf of the
11 patient.

12 (i) As used in this section:

13 "Health care cost-sharing arrangement" means:

14 (1) A health care sharing ministry, as defined in Title 26
15 United States Code section 5000A(d)(2)(B); or

16 (2) A medical cost-sharing community or other arrangement
17 or entity through which members of the community or
18 arrangement contribute money on a regular basis, at
19 levels established by the community or arrangement,
20 that may be used to share, cover, or otherwise defray



1 the medical costs of members in the community or
2 arrangement.

3 "Producer" means a person required to be licensed under the
4 laws of the State to sell, solicit, or negotiate insurance."

5 SECTION 2. New statutory material is underscored.

6 SECTION 3. This Act shall take effect upon its approval.

7

INTRODUCED BY: 



S.B. NO. 324

Report Title:

Insurance; Health Care Cost-Sharing Arrangements; Insurance Commissioner; Disclosures

Description:

Requires persons who offer, operate, manage, or administer health care cost-sharing arrangements to make certain disclosures to the Insurance Commissioner. Establishes penalties for persons that fail to comply with the disclosure requirements. Requires the Insurance Commissioner to report to the Legislature.

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

