

A Bill for an Act Relating to Mandatory Health Insurance Coverage.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 23-51, Hawaii Revised Statutes, is amended to read as follows:

“[§23-51] Proposed mandatory health insurance coverage; impact assessment report. Before any legislative measure that mandates health insurance coverage for specific health services, specific diseases, or for certain providers of health care services as part of individual or group health insurance policies, can be considered, there shall be concurrent resolutions passed requesting the legislative auditor to [conduct] prepare and submit to the legislature a report that assesses both the social and financial effects of the proposed mandated coverage. For purposes of this part, mandated health insurance coverage shall not include mandated optionals.”

SECTION 2. Section 23-52, Hawaii Revised Statutes, is amended to read as follows:

“[§23-52] Assessment report; contents. The report required under section 23-51 for assessing the impact of a proposed mandate of health coverage shall include at the minimum and to the extent that information is available, the following:

- (1) The social impact.
 - (A) The extent to which the treatment or service is generally utilized by a significant portion of the population;
 - (B) The extent to which such insurance coverage is already generally available;
 - (C) If coverage is not generally available, the extent to which the lack of coverage results in persons being unable to obtain necessary health care treatment;
 - (D) If the coverage is not generally available, the extent to which the lack of coverage results in unreasonable financial hardship on those persons needing treatment;
 - (E) The level of public demand for the treatment or service;
 - (F) The level of public demand for individual or group insurance coverage of the treatment or service;
 - (G) The level of interest of collective bargaining organizations in negotiating privately for inclusion of this coverage in group contracts; [and]
 - (H) [The impact of indirect costs which are costs other than premiums and administrative costs, on the question of the costs and benefits of coverage.] The impact of providing coverage for the treatment or service (such as morbidity, mortality, quality of care, change in practice patterns, provider competition, or related items); and
 - (I) The impact of any other indirect costs upon the costs and benefits of coverage as may be directed by the legislature or deemed necessary by the auditor in order to carry out the intent of this section.
- (2) The financial impact.

- (A) The extent to which insurance coverage of the kind proposed would increase or decrease the cost of the treatment or service;
- (B) The extent to which the proposed coverage might increase the use of the treatment or service;
- (C) The extent to which the mandated treatment or service might serve as an alternative for more expensive treatment or service;
- (D) The extent to which insurance coverage of the health care service or provider can be reasonably expected to increase or decrease the insurance premium and administrative expenses of policyholders; and
- (E) The impact of this coverage on the total cost of health care.”

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

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

(Approved June 25, 1990)