

ACT 94

S.B. NO. 3002

A Bill for an Act Relating to Medical Assistance.

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

SECTION 1. Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§346- Enforcement of contracts. (a) The director may monitor a health plan’s performance during any contract period.

(b) In addition to any other administrative or judicial remedy, the director may impose civil or administrative monetary penalties not to exceed the maximum amount established by federal statutes and regulations if the health plan: (1) fails to provide medically necessary items and services that are required under law or under contract; (2) imposes upon beneficiaries excess premiums and charges; (3) acts to discriminate among enrollees; (4) misrepresents or falsifies information; (5) violates marketing guidelines; or (6) violates other contract provisions and requirements.

(c) The director may appoint temporary management to oversee compliance efforts if a health plan continues to engage in violations of contract, law or rules, or if there is a substantial risk to the health of enrollees.

(d) Pursuant to chapter 91, the director may adopt and enforce such rules as may be necessary to carry out the purposes of this section.

(e) The director shall notify the insurance commissioner whenever a sanction under this section is contemplated.”

SECTION 2. New statutory material is underscored.¹

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

(Approved May 26, 1998.)

Note

1. Edited pursuant to HRS §23G-16.5.