**A BILL FOR AN ACT**

RELATING TO INSURANCE

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII

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

**“431M- Commissioner parity enforcement and reporting requirements.** (a) The Insurance Commissioner shall implement and enforce this section and the applicable provisions of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, and any amendments to, and any federal guidance or regulations relevant to, that act, including 45 CFR 146.136, 45 CFR 147.136, 45 CFR 147.160, and 45 CFR 156.115(a)(3), which includes:

(1) Proactively ensuring compliance by entities that issue individual or group accident and health or sickness insurance policies, individual or group hospital or medical service corporation contracts, nonprofit mutual benefit society contracts, fraternal benefit society contracts, and health maintenance organization contracts;

(2) Evaluating all consumer or provider complaints regarding mental health or alcohol use disorder and substance use disorder coverage for possible parity violations;

(3) Performing parity compliance market conduct examinations of entities that issue individual or group accident and health or sickness insurance policies, individual or group hospital or medical service corporation contracts, nonprofit mutual benefit society contracts, fraternal benefit society contracts, and health maintenance organization contracts, particularly market conduct examinations that focus on nonquantitative treatment limitations such as prior authorization, concurrent review, retrospective review, step-therapy, network admission standards, reimbursement rates, and geographic restrictions, among other nonquantitative treatment limitations; and

(4) Requesting that entities that issue individual or group accident and health or sickness insurance policies, individual or group hospital or medical service corporation contracts, nonprofit mutual benefit society contracts, fraternal benefit society contracts, and health maintenance organization contracts submit comparative analyses during the form review process demonstrating how they design and apply nonquantitative treatment limitations, both as written and in operation, for mental health or alcohol use disorder and substance use disorder benefits as compared to how they design and apply nonquantitative treatment limitations, as written and in operation, for medical and surgical benefits.

(b) Not later than January 31st, 2020, the Insurance Commissioner shall issue a report and educational presentation to the Legislature; such report and presentation shall:

(1) Cover the methodology the Insurance Commissioner is using to check for compliance with the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), and any federal regulations or guidance relating to the compliance and oversight of MHPAEA;

(2) Identify market conduct examinations conducted or completed during the preceding 12-month period regarding compliance with parity in mental health or alcohol use disorder and substance use disorder benefits and summarize the results of such market conduct examinations;

(3) Detail any educational or corrective actions the Commissioner has taken to ensure entity compliance with MHPAEA; and

(4) The report must be written in non-technical, readily understandable language and shall be made available to the public by, among such other means as the Insurance Commissioner finds appropriate, posting the report on the website of the Hawaii Insurance Division.

SECTION 2. This act shall take effect on July 1, 2019.