

Health insurance regulation bill dies

by Pacific-Business-News

Pacific Business News (Honolulu) - 11:06 AM HAST WednesdayLawmakers killed a bill Tuesday that would continue regulating health insurance rates, leaving the industry free to decide how much to charge businesses -- unless legislation is revived by the last day of session on Thursday.

The bill died because House and Senate lawmakers couldn't agree on amendments drafted by Kaiser Permanente Hawaii that would have made it harder for the state to deny insurers' rate proposals, according to the state insurance commissioner.

But in a last-ditch effort, lawmakers could revive the law that took effect in January 2003, which gave the insurance commissioner broad power to deny proposed rate hikes that he considers either excessive, discriminatory or detrimental to businesses and consumers.

"Health insurance is a big concern for folks," said Insurance Commissioner J.P. Schmidt. "Simply having some kind of oversight is important otherwise [Hawaii Medical Service Association] and Kaiser can charge whatever they want."

Schmidt says even if the rate regulation bill is revived, the language in the amended bill makes the law ineffective and would likely result in higher premiums for businesses.

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