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# Auditor's Summary

## Study of Proposed Mandatory Health Insurance Coverage for Various Sexual and Reproductive Health Care Services

Report No. 23-10



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**IN THE 2023 LEGISLATIVE SESSION**, the Hawai'i State Legislature contemplated mandating insurance coverage for various sexual and reproductive health care services. The Legislature is concerned about the federal government's attempts to restrict and repeal the Patient Protection and Affordable Care Act, also known as the Affordable Care Act (ACA), and limit access to sexual and reproductive health care. The Legislature found "access to sexual and reproductive health is critical for the health and economic security of all people in Hawaii" and determined "it is vital to preserve certain aspects of the Patient Protection and Affordable Care Act and ensure access to health care for residents of Hawaii." House Bill No. 1179 (HB 1179), introduced during the 2023 Legislative Session, is intended "to ensure comprehensive coverage for sexual and reproductive health care services, including family planning and abortion, for all people in Hawaii."

State law requires an impact assessment by the Auditor before any legislative measure mandating health insurance coverage for a specific health service, disease, or provider can be considered. In Report

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**We found there will be little-to-no social or financial impact should HB 1179 be enacted into law as nearly all of the services, drugs, devices, products, and procedures that would be mandated are, except for a relatively small number of "grandfathered" plans, currently covered by Hawai'i health insurance plans.**

No. 23-10, *Study of Proposed Mandatory Health Insurance Coverage for Various Sexual and Reproductive Health Care Services*, we found there will be little-to-no social or financial impact should HB 1179 be enacted into law, as nearly all of the services, drugs, devices, products, and procedures that would be mandated are, except for a relatively small number of “grandfathered” plans, currently covered by Hawai‘i health insurance plans, including those plans available under the ACA. Mandating insurance coverage for sexual and reproductive health care services as described by the Legislature, with limited exceptions, does not expand coverage currently provided to insureds.

### **Social and Financial Impacts of House Bill No. 1179**

We surveyed major health insurance providers for information necessary to complete our assessment. We also independently researched certain aspects of the ACA and Hawai‘i’s Prepaid Health Care Act, Chapter 393, Hawai‘i Revised Statutes (HRS). We conducted this assessment from May 2023 through September 2023 in accordance with Sections 23-51 and 23-52, HRS.

We found that the social and financial impacts, if any, are likely negligible because the sexual and reproductive health care services for which the bill would mandate health insurance coverage are already covered by policies issued in the State of Hawai‘i.<sup>1</sup> And, because the benchmark policy for the plans offered under the ACA in the Hawai‘i marketplace is the HMSA Preferred Provider Plan 2010, which HMSA represents includes coverage for the services identified in HB 1179, individual and small group health insurance plans purchased in Hawai‘i under the requirements of the ACA also include coverage for those sexual and reproductive health care services. Accordingly, mandating that health insurers include coverage for the sexual and reproductive health care services listed in HB 1179 does not change the status quo and likely will not result in any significant social or financial impact, which the providers who responded to our survey confirmed.

We note, however, that some plans require cost-sharing by their members in the form of copayments or deductibles for certain treatments, such as family planning and abortion care. HB 1179 would prohibit an insurer from imposing any cost-sharing requirements with respect to the coverage for the sexual and reproductive health care services, including copayments, coinsurance, or deductibles. While eliminating the cost-sharing that the policies currently may require adds costs that insurers must bear, we believe that those costs are relatively insignificant to insurers’ total costs and any financial impact, if any, will likewise be immaterial.

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<sup>1</sup> Similarly, some health insurance providers have “grandfathered” plans purchased on or before March 23, 2010 that are not subject to certain requirements under the ACA, such as coverage for pre-existing conditions and free preventive care. Such policies do not cover all treatment or service required under the ACA or may provide such treatment or service with a member’s copayment.