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# A BILL FOR AN ACT

RELATING TO THE HAWAII CHILDREN'S HEALTH CARE PROGRAM.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Although estimates of the number of uninsured  
2 children in the State vary, it is commonly acknowledged that  
3 there is a gap group that is ineligible for any state or federal  
4 health care coverage. Children who remain uninsured typically  
5 do not receive an appropriate level of medical care. Children  
6 who lack a source of care or must turn regularly to a hospital  
7 emergency department are unlikely to receive preventive care or  
8 early and regular management of acute or chronic health  
9 conditions.

10           A study performed by the Urban Institute, a nonpartisan  
11 economic and social policy research organization, showed that  
12 regardless of age, race, ethnicity, income, or health status,  
13 uninsured children were much less likely to have received a  
14 well-child checkup within the past year and were more likely  
15 than insured children to report an unmet need for medical care  
16 that was associated with concerns about cost.



1 Health insurance helps children and youth receive regular  
2 health care so they can participate in school and other  
3 activities. Often, parents experience hardship when an  
4 uninsured child is sick because of the added stress of the  
5 child's medical bills.

6 The purpose of this Act is to establish the Hawaii  
7 children's health care program as a temporary three-year pilot  
8 program to expand health care coverage for children in Hawaii  
9 by:

- 10 (1) Providing continuous, quality health care services to  
11 uninsured newborn children between one and thirty-one  
12 days of age;
- 13 (2) Providing health care coverage to certain children  
14 between thirty-one days to eighteen years old through  
15 a public-private partnership between the department of  
16 human services and a managed care plan operating in  
17 the State under chapter 432, Hawaii Revised Statutes,  
18 that offers accident and health or sickness insurance  
19 plans;
- 20 (3) Providing access to medical care free-of-charge for  
21 certain children nineteen years of age or younger



1           whose family income is at or below three hundred per  
2           cent of the federal poverty level;

3           (4) Providing medical assistance under QUEST-Net at no  
4           charge to children nineteen years or younger whose  
5           family income is at or above two hundred fifty per  
6           cent and does not exceed three hundred per cent of the  
7           federal poverty level for Hawaii and who are otherwise  
8           eligible for QUEST-Net benefits; and

9           (5) Making appropriations for the purposes of this Act.

10          SECTION 2. Chapter 346, Hawaii Revised Statutes, is  
11 amended by adding a new section to be appropriately designated  
12 and to read as follows:

13          "§346- Hawaii infant care program. (a) The department  
14 shall establish an infant care program to provide continuous,  
15 quality health care services to uninsured newborn children  
16 between one and thirty-one days of age, up to \$10,000 of health  
17 care assistance per eligible child.

18          (b) Services provided pursuant to subsection (a) shall be  
19 limited to those types of services covered by QUEST.

20          (c) The department shall seek out health care providers to  
21 participate in a public-private partnership, established as a  
22 contract to provide health and human services pursuant to



1 chapter 103F, between the department and private health care  
2 providers to provide health care services to children who  
3 require services that exceed the \$10,000 threshold. The  
4 contract shall include terms that specify that the costs of the  
5 health care services provided shall be matched, dollar-for-  
6 dollar, by the State in the form of a reimbursement to the  
7 provider.

8 (d) The department of human services shall directly  
9 reimburse any health care provider participating in the public-  
10 private partnership.

11 (e) The department shall report to the legislature no  
12 later than twenty days prior to the convening of the 2008  
13 regular session and annually thereafter. The report shall  
14 include:

- 15 (1) The number of children that were provided services  
16 through the Hawaii infant care program;
- 17 (2) A listing of health care providers participating in  
18 the program;
- 19 (3) The annual cost of the program; and
- 20 (4) Any proposed legislation necessary to improve the  
21 program."



1 SECTION 3. (a) There is established the Hawaii children's  
2 health care program as a temporary three-year pilot program to  
3 provide health care coverage to uninsured children. The  
4 department of human services shall provide health care coverage  
5 through a public-private partnership, established as a contract  
6 to provide health and human services pursuant to chapter 103F,  
7 Hawaii Revised Statutes, between the department of human  
8 services and a managed care plan operating in the State under  
9 chapter 432, Hawaii Revised Statutes, that offers accident and  
10 health or sickness insurance plans.

11 (b) To qualify, a child shall:

- 12 (1) Be between thirty-one days to eighteen years old;
- 13 (2) Have been uninsured continually for at least six  
14 months; provided that infants between thirty-one days  
15 and six months of age shall have been uninsured  
16 continually since birth; and
- 17 (3) Have been ineligible during the six months the child  
18 was uninsured for any other state or federal health  
19 care coverage and be currently ineligible for any  
20 other state or federal health care coverage; provided  
21 that all children enrolled in a mutual benefit  
22 society's children's plan as of the effective date of



1           this Act shall be eligible for enrollment into the  
2           program; and provided that children between thirty-one  
3           days to eighteen years old who become ineligible for  
4           QUEST due to an increase in family income may enroll  
5           in the program upon disenrollment from QUEST.

6           (c) The department of human services and the managed care  
7           plan shall share equally in the cost of the premium for each  
8           child enrolled in the program.

9           (d) The department of human services shall pay the State's  
10          share of the premiums under the program on a quarterly basis.

11          (e) The managed care plan participating in the pilot  
12          program shall be responsible for determining the eligibility of  
13          program applicants and of enrolling applicants in the pilot  
14          program.

15          (f) The managed care plan participating in the program  
16          shall provide a quarterly report to the department of human  
17          services and the legislature on the number of children enrolled  
18          in the program.

19          (g) The department shall ensure that other private  
20          organizations have the opportunity to partner with the State to  
21          offer coverage to uninsured children under the program; provided  
22          that plan benefits to be provided shall be equal to or better



1 than those offered through the program established by the State  
2 and a managed care plan under subsection (a).

3 (h) No more than:

4 (1) Ten thousand children shall be enrolled in the program  
5 during fiscal year 2007-2008;

6 (2) Twenty thousand children shall be enrolled in the  
7 program during fiscal year 2008-2009; and

8 (3) Twenty thousand children shall be enrolled in the  
9 program during fiscal year 2009-2010.

10 (i) The department of human services and any participating  
11 managed care plan shall report to the legislature no later than  
12 twenty days prior to the start of the 2008 and 2009 regular  
13 session on:

14 (1) Any problems experienced with the program involving  
15 crowding out eligible participants;

16 (2) Instances of people canceling their previous coverage  
17 to receive this free coverage;

18 (3) The amount of funding used and for what purposes;

19 (4) Any other problems encountered in the administration  
20 of the program; and

21 (5) Any proposed legislation.



1 SECTION 4. Section 346-59.4, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "[+]§346-59.4[+] **Medical assistance to other children.**

4 The department shall provide state-funded medical assistance[~~7~~  
5 ~~of up to two hundred per cent of the federal poverty level for~~  
6 ~~Hawaii,~~] free of charge to persons [~~less than~~] nineteen years of  
7 age or younger whose family income is at or below three hundred  
8 per cent of the federal poverty level for Hawaii and who are:

9 (1) Legal permanent residents who arrived after August 22,  
10 1996;

11 (2) Persons who are permanently residing under color of  
12 law; and

13 (3) Nonimmigrants from the Trust Territories of the  
14 Pacific Islands who are citizens of:

15 (A) The Marshall Islands;

16 (B) The Federated States of Micronesia; or

17 (C) Palau, as defined by the Compact of Free  
18 Association Act of 1985, P.L. 99-239, or the  
19 Compact of Free Association between the United  
20 States and the Government of Palau, P.L. 99-658,

21 who are otherwise eligible for benefits under the State's  
22 medicaid programs, including QUEST and the State's children



1 health insurance program, but are ineligible due to restricted  
2 eligibility rules imposed by Title XXI of the Social Security  
3 Act, the Personal Responsibility and Work Reconciliation Act of  
4 1996, the Compact of Free Association Act of 1985, P.L. 99-239,  
5 the Compact of Free Association between the United States and  
6 the Government of Palau, P.L. 99-658, or any other provision of  
7 federal law denying medical assistance to nonimmigrants who are  
8 citizens of the Marshall Islands, the Federated States of  
9 Micronesia, or Palau."

10 SECTION 5. The department of human services shall provide  
11 medical assistance under QUEST-Net at no charge to children  
12 nineteen years or younger whose family income is at or above two  
13 hundred fifty per cent and does not exceed three hundred per  
14 cent of the federal poverty level for Hawaii and who are  
15 otherwise eligible for QUEST-Net benefits.

16 SECTION 6. There is appropriated out of the general  
17 revenues of the State of Hawaii the sum of \$ , or so much  
18 thereof as may be necessary for fiscal year 2007-2008, and the  
19 same sum, or so much thereof as may be necessary for fiscal year  
20 2008-2009, to provide continuous, quality health care services  
21 to uninsured newborn children between one and thirty-one days of  
22 age through the Hawaii infant care program.



1 The sums appropriated shall be expended by the department  
2 of human services for the purposes of section 2 of this Act.

3 SECTION 7. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ , or so much  
5 thereof as may be necessary for fiscal year 2007-2008, and the  
6 same sum, or so much thereof as may be necessary for fiscal year  
7 2008-2009, to fund the Hawaii children's health care program  
8 pursuant to section 3 of this Act.

9 The sums appropriated shall be expended by the department  
10 of human services for the purposes of section 3 of this Act.

11 SECTION 8. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$ , or so much  
13 thereof as may be necessary for fiscal year 2007-2008, and the  
14 same sum, or so much thereof as may be necessary for fiscal year  
15 2008-2009, to provide medical services under QUEST-Net pursuant  
16 to section 5 of this Act.

17 The sums appropriated shall be expended by the department  
18 of human services for the purposes of section 5 of this Act.

19 SECTION 9. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

21 SECTION 10. This Act shall take effect upon approval;  
22 provided that sections 6, 7, and 8 shall take effect on July 1,



1 2007; provided further that on June 30, 2010, this Act shall be  
2 repealed and section 346-59.4, Hawaii Revised Statutes, is  
3 reenacted in the form in which it read on the day before the  
4 approval of this Act.



**Report Title:**

Children's Health Care Program; Appropriations

**Description:**

Creates a three-year pilot program to expand health care coverage for children in Hawaii; and appropriates funds. (SD2)

