
A BILL FOR AN ACT

RELATING TO CHILDREN'S HEALTH CARE.

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

1 PART I

2 SECTION 1. Although estimates of the number of uninsured
3 children in the state vary, one thing that can be agreed upon is
4 that there is a gap group that is ineligible for any state or
5 federal health care coverage. The majority of children in this
6 gap group are those whose family income is at or just over three
7 hundred per cent of the federal poverty level. Others in this
8 group may include infants born to uninsured mothers, immigrants
9 with temporary visas, and undocumented immigrants who have been
10 in Hawaii for less than six months. The total number of those
11 who fall into the gap group could be as high as three thousand
12 five hundred children.

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



1 that was associated with concerns about cost. Children who lack
2 a source of care or regularly use a hospital emergency
3 department are unlikely to receive preventive care or early and
4 regular management of acute or chronic health conditions.

5 Local health care coverage providers offer children's plans
6 that cover certain preventive services, immunizations, doctor
7 visits, diagnostic tests, emergency care, mental health
8 benefits, and some prescription drugs.

9 The State has the opportunity to help provide health care
10 coverage for children in the gap group through partnerships with
11 mutual benefit societies such as the Hawaii Medical Service
12 Association. Such partnerships will allow the State to offer
13 coverage to uninsured children under the existing children's
14 plans offered by these mutual benefit societies. The cost of
15 the premium will be split equally between the partner managed
16 care plan and the State.

17 The purpose of this part is to ensure health care for all
18 of Hawaii's children by establishing the Hawaii children's
19 health care program as a temporary three-year pilot program to
20 provide health care coverage to uninsured children.

21 SECTION 2. **Hawaii children's health care program.** (a)

22 There is established the Hawaii children's health care program



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

9 (b) To qualify for this pilot program, a child shall:

10 (1) Be between thirty-one days to eighteen years old;

11 (2) Have been uninsured continually for at least six
12 months; provided that infants between thirty-one days
13 and six months of age shall have been uninsured
14 continually since birth; and

15 (3) Have been ineligible during the six months the child
16 was uninsured for any other state or federal health
17 care coverage, and be currently ineligible for such
18 coverage; provided that all children enrolled in a
19 mutual benefit society's children's plan as of the
20 effective date of this Act shall be eligible for
21 enrollment into the Hawaii children's health care
22 program.



1 (c) The department of human services and the managed care
2 plan shall share equally in the cost of the premium for each
3 child enrolled in the pilot program.

4 (d) The department of human services shall pay the State's
5 share of the premiums under the pilot program on a quarterly
6 basis.

7 (e) The managed care plan participating in the pilot
8 program shall be responsible for determining the eligibility of
9 Hawaii children's health care program applicants and of
10 enrolling applicants in the pilot program.

11 (f) The managed care plan participating in the pilot
12 program shall provide a quarterly report to the department of
13 human services and the legislature on the number of children
14 enrolled in the pilot program.

15 (g) Other private organizations may partner with the State
16 to offer coverage to uninsured children under the pilot program;
17 provided that plan benefits to be provided shall be equal to or
18 better than those offered through the pilot program established
19 by the State and a managed care plan under subsection (a).

20 (h) Not more than:



1 (1) Ten thousand children shall be enrolled in the Hawaii
2 children's health care program during fiscal year
3 2007-2008;

4 (2) Twenty thousand children shall be enrolled in the
5 Hawaii children's health care program during fiscal
6 year 2008-2009; and

7 (3) Twenty thousand children shall be enrolled in the
8 Hawaii children's health care program during fiscal
9 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 dropping 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 necessary to better
22 administer the program.



1 (j) The Hawaii children's health care program shall
2 terminate on June 30, 2010.

3 PART II

4 SECTION 3. The purpose of this part is to provide access
5 to medical care free-of-charge for children nineteen years of
6 age or younger whose family income is at or below three hundred
7 per cent of the federal poverty level.

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

10 ~~[+]§346-59.4[+]~~ **Medical assistance to other children.** The
11 department shall provide state-funded medical assistance free-
12 of-charge~~[, of up to two hundred per cent of the federal poverty~~
13 ~~level for Hawaii,]~~ to persons ~~[less than]~~ nineteen years of age
14 or younger whose family income is at or below three hundred per
15 cent of the federal poverty level for Hawaii and who are:

16 (1) Legal permanent residents who arrived after August 22,
17 1996;

18 (2) Persons who are permanently residing under color of
19 law; and

20 (3) Nonimmigrants from the Trust Territories of the
21 Pacific Islands who are citizens of:

22 (A) The Marshall Islands;



1 (B) The Federated States of Micronesia; or
2 (C) Palau, as defined by the Compact of Free
3 Association Act of 1985, P.L. 99-239, or the
4 Compact of Free Association between the United
5 States and the Government of Palau, P.L. 99-658,
6 who are otherwise eligible for benefits under the State's
7 medicaid programs, including QUEST and the State's children's
8 health insurance program, but are ineligible due to restricted
9 eligibility rules imposed by Title XXI of the Social Security
10 Act, the Personal Responsibility and Work Reconciliation Act of
11 1996, the Compact of Free Association Act of 1985, P.L. 99-239,
12 the Compact of Free Association between the United States and
13 the Government of Palau, P.L. 99-658, or any other provision of
14 federal law denying medical assistance to nonimmigrants who are
15 citizens of the Marshall Islands, the Federated States of
16 Micronesia, or Palau."

17 SECTION 5. **Hawaii children's health care; QUEST-Net**
18 **eligibility.** The department of human services shall provide
19 medical assistance under QUEST-Net at no charge to children
20 nineteen years or younger whose family income is at or above two
21 hundred fifty per cent and does not exceed three hundred per



1 cent of the federal poverty level for Hawaii and who are
2 otherwise eligible for QUEST-Net benefits.

3 PART III

4 SECTION 6. The purpose of this part is to provide
5 continuous, quality health care services to uninsured newborn
6 children between one and thirty-one days of age.

7 SECTION 7. Chapter 346, Hawaii Revised Statutes, is
8 amended by adding a new section to be appropriately designated
9 and to read as follows:

10 "§346- Hawaii infant care special fund. (a) There is
11 established within the department the Hawaii infant care special
12 fund to provide continuous, quality health care services to
13 uninsured newborn children between one and thirty-one days of
14 age.

15 (b) The department shall administer the fund to provide up
16 to \$10,000 of health care assistance per eligible infant.

17 (c) The department shall seek out health care providers to
18 participate in a dollar-for-dollar matching-funds, public-
19 private partnership established through a contract to provide
20 health and human services pursuant to chapter 103F between the
21 department and private health care providers to continue to



1 provide health care services to children who require services
2 which exceed the \$10,000 threshold.

3 (c) The department of health shall directly reimburse any
4 health care provider participating in the dollar-for-dollar
5 matching-funds, public-private partnership.

6 (d) The department shall report to the legislature no
7 later than twenty days prior to the convening of the 2008
8 regular session and annually thereafter. The report shall
9 include:

10 (1) The number of children who were provided services
11 through the Hawaii infant care special fund;

12 (2) A listing of health care providers participating in
13 the program;

14 (3) The annual cost of the program; and

15 (4) Any proposed legislation to improve the program."

16 SECTION 8. Section 36-27, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§36-27 Transfers from special funds for central service**
19 **expenses.** Except as provided in this section, and
20 notwithstanding any other law to the contrary, from time to
21 time, the director of finance, for the purpose of defraying the



1 prorated estimate of central service expenses of government in
2 relation to all special funds, except the:

- 3 (1) Special out-of-school time instructional program fund
4 under section 302A-1310;
- 5 (2) School cafeteria special funds of the department of
6 education;
- 7 (3) Special funds of the University of Hawaii;
- 8 (4) State educational facilities improvement special fund;
- 9 (5) Convention center enterprise special fund under
10 section 201B-8;
- 11 (6) Special funds established by section 206E-6;
- 12 (7) Housing loan program revenue bond special fund;
- 13 (8) Housing project bond special fund;
- 14 (9) Aloha Tower fund created by section 206J-17;
- 15 (10) Funds of the employees' retirement system created by
16 section 88-109;
- 17 (11) Unemployment compensation fund established under
18 section 383-121;
- 19 (12) Hawaii hurricane relief fund established under chapter
20 431P;
- 21 (13) Hawaii health systems corporation special funds;



- 1 (14) Tourism special fund established under section
2 201B-11;
- 3 (15) Universal service fund established under chapter 269;
- 4 (16) Integrated tax information management systems special
5 fund under section 231-3.2;
- 6 (17) Emergency and budget reserve fund under section
7 328L-3;
- 8 (18) Public schools special fees and charges fund under
9 section 302A-1130(f);
- 10 (19) Sport fish special fund under section 187A-9.5;
- 11 (20) Neurotrauma special fund under section 321H-4;
- 12 (21) Deposit beverage container deposit special fund under
13 section 342G-104;
- 14 (22) Glass advance disposal fee special fund established by
15 section 342G-82;
- 16 (23) Center for nursing special fund under section [†]304A-
17 2163[†];
- 18 (24) Passenger facility charge special fund established by
19 section 261-5.5;
- 20 (25) Solicitation of funds for charitable purposes special
21 fund established by section 467B-15;
- 22 (26) Land conservation fund established by section 173A-5;



1 (27) Court interpreting services revolving fund under
2 section 607-1.5;

3 (28) Trauma system special fund under section 321-22.5;

4 (29) Hawaii cancer research special fund;

5 (30) Community health centers special fund; [~~and~~]

6 (31) Emergency medical services special fund[+]; and

7 (32) Hawaii infant care special fund;

8 shall deduct five per cent of all receipts of all other special
9 funds, which deduction shall be transferred to the general fund
10 of the State and become general realizations of the State. All
11 officers of the State and other persons having power to allocate
12 or disburse any special funds shall cooperate with the director
13 in effecting these transfers. To determine the proper revenue
14 base upon which the central service assessment is to be
15 calculated, the director shall adopt rules pursuant to chapter
16 91 for the purpose of suspending or limiting the application of
17 the central service assessment of any fund. No later than
18 twenty days prior to the convening of each regular session of
19 the legislature, the director shall report all central service
20 assessments made during the preceding fiscal year.[+]"

21 SECTION 9. Section 36-30, Hawaii Revised Statutes, is
22 amended by amending subsection (a) to read as follows:



- 1 "(a) Each special fund, except the:
- 2 (1) Transportation use special fund established by section
- 3 261D-1;
- 4 (2) Special out-of-school time instructional program fund
- 5 under section 302A-1310;
- 6 (3) School cafeteria special funds of the department of
- 7 education;
- 8 (4) Special funds of the University of Hawaii;
- 9 (5) State educational facilities improvement special fund;
- 10 (6) Special funds established by section 206E-6;
- 11 (7) Aloha Tower fund created by section 206J-17;
- 12 (8) Funds of the employees' retirement system created by
- 13 section 88-109;
- 14 (9) Unemployment compensation fund established under
- 15 section 383-121;
- 16 (10) Hawaii hurricane relief fund established under chapter
- 17 431P;
- 18 (11) Convention center enterprise special fund established
- 19 under section 201B-8;
- 20 (12) Hawaii health systems corporation special funds;
- 21 (13) Tourism special fund established under section
- 22 201B-11;



- 1 (14) Universal service fund established under chapter 269;
- 2 (15) Integrated tax information management systems special
3 fund under section 231-3.2;
- 4 (16) Emergency and budget reserve fund under section
5 328L-3;
- 6 (17) Public schools special fees and charges fund under
7 section 302A-1130(f);
- 8 (18) Sport fish special fund under section 187A-9.5;
- 9 (19) Neurotrauma special fund under section 321H-4;
- 10 (20) Center for nursing special fund under section [†]304A-
11 2163[†];
- 12 (21) Passenger facility charge special fund established by
13 section 261-5.5;
- 14 (22) Court interpreting services revolving fund under
15 section 607-1.5;
- 16 (23) Trauma system special fund under section 321-22.5;
- 17 (24) Hawaii cancer research special fund;
- 18 (25) Community health centers special fund; [~~and~~]
- 19 (26) Emergency medical services special fund[†]; and
- 20 (27) Hawaii infant care special fund;



1 shall be responsible for its pro rata share of the
2 administrative expenses incurred by the department responsible
3 for the operations supported by the special fund concerned.[+]"

4 PART IV

5 SECTION 10. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$1,000,000 or so much
7 thereof as may be necessary for fiscal year 2007-2008 to
8 establish the Hawaii children's health care program as a
9 temporary three-year pilot program to provide health care
10 coverage to uninsured children.

11 The sum appropriated shall be expended by the department of
12 human services for the purposes of part I of this Act.

13 SECTION 11. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$4,600,000 or so much
15 thereof as may be necessary for fiscal year 2007-2008 to provide
16 QUEST-Net services free-of-charge to children nineteen years of
17 age or younger whose family income is at or above two hundred
18 fifty per cent, and under three hundred per cent of the federal
19 poverty level.

20 The sum appropriated shall be expended by the department of
21 human services for the purposes of part II of this Act.



1 SECTION 12. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$500,000 or so much
3 thereof as may be necessary for fiscal year 2007-2008 to be
4 deposited into the Hawaii infant care special fund to provide
5 continuous, quality health care services to uninsured newborn
6 children between one and thirty-one days of age.

7 SECTION 13. There is appropriated out of the Hawaii infant
8 care special fund the sum of \$500,000 or so much thereof as may
9 be necessary for fiscal year 2007-2008 to provide continuous,
10 quality health care services to uninsured newborn children
11 between one and thirty-one days of age.

12 The sum appropriated shall be expended by the department of
13 human services for the purposes of part III of this Act.

14 SECTION 14. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 15. This Act shall take effect on July 1, 2007.



Report Title:

Children's Health Care

Description:

Creates a three-year pilot program in which the Department of Human Services pays half of the premiums for the health care provided by a managed care plan to uninsured children who are thirty-one days to eighteen years old and are ineligible for other state or federal health care coverage; Sunsets June 30, 2010. Provides children, of families whose income is at or below three hundred per cent of the federal poverty level, access to medical care free of charge by expanding the State's QUEST-Net eligibility requirements. Established the Hawaii Infant Care special fund to provide health care services to infants from birth to thirty-one days of age through a dollar-for-dollar matching-funds, public-private partnership established by the Department of Health. Appropriates funds. (HB1008 HD1)

