
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, it is widely acknowledged that there
4 is a gap group that is ineligible for any state or federal
5 health care coverage. The majority of children in this gap
6 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; provided further that children between



1 thirty-one days to eighteen years of age who become
2 ineligible for QUEST due to an increase in family
3 income may enroll in the Hawaii children's health care
4 program upon disenrollment from QUEST.

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

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

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

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

19 (g) Other private organizations may partner with the State
20 to offer coverage to uninsured children under the pilot program;
21 provided that plan benefits to be provided shall be equal to or



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

3 (h) The department of human services and any participating
4 managed care plan shall report to the legislature no later than
5 twenty days prior to the start of the 2008 and 2009 regular
6 sessions on:

- 7 (1) Any problems experienced with the program involving
8 crowding out eligible participants;
- 9 (2) Instances of people dropping their previous coverage
10 to receive this free coverage;
- 11 (3) The amount of funding used and for what purposes;
- 12 (4) Any other problems encountered in the administration
13 of the program; and
- 14 (5) Any proposed legislation necessary to improve
15 administration of the program.

16 (i) The Hawaii children's health care program shall
17 terminate on June 30, 2010.

18 PART II

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



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



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

17 PART III

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



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

4 "§346- Hawaii infant care special fund. (a) There is
5 established within the department the Hawaii infant care special
6 fund to provide continuous, quality health care services to
7 uninsured newborn children between one and thirty-one days of
8 age.

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

11 (c) The department shall seek out health care providers to
12 participate in a dollar-for-dollar matching-funds, public-
13 private partnership established through a contract to provide
14 health and human services pursuant to chapter 103F between the
15 department and private health care providers to continue to
16 provide health care services to children who require services
17 that exceed the \$10,000 threshold.

18 (d) The department or their designated contractor shall
19 directly reimburse any health care provider participating in the
20 dollar-for-dollar matching-funds, public-private partnership.
21 The department may contract with an appropriate entity to
22 provide these services.

1 (e) The department shall report to the legislature no
2 later than twenty days prior to the convening of the 2008
3 regular session and annually thereafter. The report shall
4 include:

- 5 (1) The number of children who were provided services
6 through the Hawaii infant care special fund;
7 (2) A listing of health care providers participating in
8 the program;
9 (3) The annual cost of the program; and
10 (4) Any proposed legislation to improve the program."

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

13 "**§36-27 Transfers from special funds for central service**
14 **expenses.** Except as provided in this section, and
15 notwithstanding any other law to the contrary, from time to
16 time, the director of finance, for the purpose of defraying the
17 prorated estimate of central service expenses of government in
18 relation to all special funds, except the:

- 19 (1) Special out-of-school time instructional program fund
20 under section 302A-1310;
21 (2) School cafeteria special funds of the department of
22 education;



- 1 (3) Special funds of the University of Hawaii;
- 2 (4) State educational facilities improvement special fund;
- 3 (5) Convention center enterprise special fund under
- 4 section 201B-8;
- 5 (6) Special funds established by section 206E-6;
- 6 (7) Housing loan program revenue bond special fund;
- 7 (8) Housing project bond special fund;
- 8 (9) Aloha Tower fund created by section 206J-17;
- 9 (10) Funds of the employees' retirement system created by
- 10 section 88-109;
- 11 (11) Unemployment compensation fund established under
- 12 section 383-121;
- 13 (12) Hawaii hurricane relief fund established under chapter
- 14 431P;
- 15 (13) Hawaii health systems corporation special funds;
- 16 (14) Tourism special fund established under section
- 17 201B-11;
- 18 (15) Universal service fund established under chapter 269;
- 19 (16) Integrated tax information management systems special
- 20 fund under section 231-3.2;
- 21 (17) Emergency and budget reserve fund under section
- 22 328L-3;



- 1 (18) Public schools special fees and charges fund under
- 2 section 302A-1130(f);
- 3 (19) Sport fish special fund under section 187A-9.5;
- 4 (20) Neurotrauma special fund under section 321H-4;
- 5 (21) Deposit beverage container deposit special fund under
- 6 section 342G-104;
- 7 (22) Glass advance disposal fee special fund established by
- 8 section 342G-82;
- 9 (23) Center for nursing special fund under section [+]304A-
- 10 2163[+];
- 11 (24) Passenger facility charge special fund established by
- 12 section 261-5.5;
- 13 (25) Solicitation of funds for charitable purposes special
- 14 fund established by section 467B-15;
- 15 (26) Land conservation fund established by section 173A-5;
- 16 (27) Court interpreting services revolving fund under
- 17 section 607-1.5;
- 18 (28) Trauma system special fund under section 321-22.5;
- 19 (29) Hawaii cancer research special fund;
- 20 (30) Community health centers special fund; [~~and~~]
- 21 (31) Emergency medical services special fund[+]; and

1 (32) Hawaii infant care special fund established by section
2 346- ;
3 shall deduct five per cent of all receipts of all other special
4 funds, which deduction shall be transferred to the general fund
5 of the State and become general realizations of the State. All
6 officers of the State and other persons having power to allocate
7 or disburse any special funds shall cooperate with the director
8 in effecting these transfers. To determine the proper revenue
9 base upon which the central service assessment is to be
10 calculated, the director shall adopt rules pursuant to chapter
11 91 for the purpose of suspending or limiting the application of
12 the central service assessment of any fund. No later than
13 twenty days prior to the convening of each regular session of
14 the legislature, the director shall report all central service
15 assessments made during the preceding fiscal year.[+]"

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

- 18 "(a) Each special fund, except the:
- 19 (1) Transportation use special fund established by section
 - 20 261D-1;
 - 21 (2) Special out-of-school time instructional program fund
 - 22 under section 302A-1310;



- 1 (3) School cafeteria special funds of the department of
- 2 education;
- 3 (4) Special funds of the University of Hawaii;
- 4 (5) State educational facilities improvement special fund;
- 5 (6) Special funds established by section 206E-6;
- 6 (7) Aloha Tower fund created by section 206J-17;
- 7 (8) Funds of the employees' retirement system created by
- 8 section 88-109;
- 9 (9) Unemployment compensation fund established under
- 10 section 383-121;
- 11 (10) Hawaii hurricane relief fund established under chapter
- 12 431P;
- 13 (11) Convention center enterprise special fund established
- 14 under section 201B-8;
- 15 (12) Hawaii health systems corporation special funds;
- 16 (13) Tourism special fund established under section
- 17 201B-11;
- 18 (14) Universal service fund established under chapter 269;
- 19 (15) Integrated tax information management systems special
- 20 fund under section 231-3.2;
- 21 (16) Emergency and budget reserve fund under section
- 22 328L-3;

- 1 (17) Public schools special fees and charges fund under
- 2 section 302A-1130(f);
- 3 (18) Sport fish special fund under section 187A-9.5;
- 4 (19) Neurotrauma special fund under section 321H-4;
- 5 (20) Center for nursing special fund under section [†]304A-
- 6 2163[†];
- 7 (21) Passenger facility charge special fund established by
- 8 section 261-5.5;
- 9 (22) Court interpreting services revolving fund under
- 10 section 607-1.5;
- 11 (23) Trauma system special fund under section 321-22.5;
- 12 (24) Hawaii cancer research special fund;
- 13 (25) Community health centers special fund; [~~and~~]
- 14 (26) Emergency medical services special fund[†]; and
- 15 (27) Hawaii infant care special fund established by section
- 16 346-_____ ;

17 shall be responsible for its pro rata share of the
 18 administrative expenses incurred by the department responsible
 19 for the operations supported by the special fund concerned.[†]"

PART IV

21 SECTION 10. There is appropriated out of the general
 22 revenues of the State of Hawaii the sum of \$ _____ or so much

1 thereof as may be necessary for fiscal year 2007-2008 to
2 establish the Hawaii children's health care program as a
3 temporary three-year pilot program to provide health care
4 coverage to uninsured children.

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

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

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

16 SECTION 12. 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 to be
19 deposited into the Hawaii infant care special fund to provide
20 continuous, quality health care services to uninsured newborn
21 children between one and thirty-one days of age.



1 SECTION 13. There is appropriated out of the Hawaii infant
2 care special fund the sum of \$ or so much thereof as may
3 be necessary for fiscal year 2007-2008 to provide continuous,
4 quality health care services to uninsured newborn children
5 between one and thirty-one days of age.

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

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

10 SECTION 15. This Act shall take effect on July 1, 2020.



Report Title:

Children's Health Care

Description:

Creates 3-year pilot program where Department of Human Services pays half the premiums health care provided by a managed care plan to uninsured children who are 31 days to 18 years old and ineligible for other state or federal health care coverage; Sunsets June 30, 2010. Provides children of families whose income is at or below 300% of the federal poverty level free medical care by expanding the State's QUEST-Net eligibility requirements. Establishes Hawaii Infant Care Special Fund to provide health care to infants from birth to thirty-one days of age through matching-fund, public-private partnership established by the Department of Health. Appropriates funds. (HB1008 HD2).

