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# A BILL FOR AN ACT

RELATING TO CHILDREN'S HEALTH CARE.

**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. The majority of children in this gap  
5 group are those whose family income is at or just over three  
6 hundred per cent of the federal poverty level. Others in this  
7 group may include infants born to uninsured mothers, immigrants  
8 with temporary visas, and undocumented immigrants who have been  
9 in Hawaii for less than six months. The total number of those  
10 who fall into the gap group could be as high as three thousand  
11 five hundred children.

12           Children who remain uninsured typically do not receive an  
13 appropriate level of medical care. Children who lack a source  
14 of care or must turn regularly to a hospital emergency  
15 department are unlikely to receive preventive care or early and  
16 regular management of acute or chronic health conditions.

17           A study performed by the Urban Institute, a nonpartisan  
18 economic and social policy research organization, showed that



1 regardless of age, race, ethnicity, income, or health status,  
2 uninsured children were much less likely to have received a  
3 well-child checkup within the past year and were more likely  
4 than insured children to report an unmet need for medical care  
5 that was associated with concerns about cost.

6 Health insurance helps children and youth receive regular  
7 health care so they can participate in school and other  
8 activities. Often, parents experience hardship when an  
9 uninsured child is sick because of the added stress of the  
10 child's medical bills.

11 The purpose of this Act is to establish the Hawaii  
12 children's health care program and the Hawaii infant care  
13 program as temporary three-year pilot programs and to expand and  
14 monitor for three years health care coverage for children in  
15 Hawaii by:

16 (1) Providing continuous, quality health care services to  
17 uninsured newborn children who are one day, but not  
18 more than thirty days of age through the Hawaii infant  
19 care program; provided that these children may enroll  
20 in the Hawaii children's health care program upon  
21 reaching thirty-one days of age;



1 (2) Providing health care coverage to certain children who  
2 are at least thirty-one days, but less than nineteen  
3 years old through a public-private partnership between  
4 the department of human services and one or more  
5 managed care plans operating in the State under  
6 chapter 432, Hawaii Revised Statutes, that offers  
7 accident and health or sickness insurance plans;

8 (3) Providing access to medical care free-of-charge for  
9 certain children less than nineteen years of age whose  
10 family income is at or below three hundred per cent of  
11 the federal poverty level;

12 (4) Providing medical assistance under QUEST-Net at no  
13 charge to children less than nineteen years of age  
14 whose family income is above two hundred fifty per  
15 cent and does not exceed three hundred per cent of the  
16 federal poverty level for Hawaii and who are otherwise  
17 eligible for QUEST-Net benefits; and

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

19 SECTION 2. (a) There is established the Hawaii infant  
20 health care program as a temporary three-year pilot program to  
21 provide continuous, quality health care services to uninsured  
22 newborn children who are one day, but not more than thirty days



1 of age, up to \$10,000 of health care assistance per eligible  
2 child, subject to the appropriation of general funds for the  
3 program.

4 (b) It is not the intent of the legislature to discourage  
5 employers from offering to pay, or from paying for, dependent  
6 coverage for their employees, nor that this Act supplant  
7 employer-sponsored dependent coverage plans.

8 (c) Services provided pursuant to subsection (a) shall be  
9 limited to those types of services for children covered by  
10 QUEST.

11 (d) The department of human services or its designated  
12 contractor shall directly reimburse any health care provider or  
13 managed care plan providing the services to infants under the  
14 Hawaii infant health care program, subject to the appropriation  
15 of general funds for the program. The department may contract  
16 with an appropriate entity to provide these services.

17 (e) The department shall report to the legislature no  
18 later than twenty days prior to the convening of the 2008  
19 regular session and annually thereafter. The report shall  
20 include:

21 (1) The number of children who were provided services  
22 through the Hawaii infant care program;



- 1           (2) A listing of health care providers or managed care  
2           plans participating in the program;
- 3           (3) The annual cost of the program; and
- 4           (4) Any proposed legislation necessary to improve the  
5           program.

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

16           (b) It is not the intent of the legislature to discourage  
17 employers from offering to pay, or from paying for, dependent  
18 coverage for their employees, nor that this Act supplant  
19 employer-sponsored dependent coverage plans.

20           (c) To qualify, a child shall:

- 21           (1) Be at least thirty-one days to less than nineteen  
22           years old;



- 1           (2) Have been uninsured continually for at least six  
2           months; provided that infants thirty-one days to six  
3           months of age shall have been uninsured continually  
4           since birth; and
- 5           (3) Have been ineligible during the six months the child  
6           was uninsured for any other state or federal health  
7           care coverage and be currently ineligible for any  
8           other state or federal health care coverage; provided  
9           that all children enrolled in a managed care plan's  
10          children's plan as of the effective date of this Act  
11          shall be eligible for enrollment into the Hawaii  
12          children's health care program without being subject  
13          to the requirement of being uninsured for the  
14          precedent six months in subsection (c)(2); and  
15          provided that children who are at least thirty-one  
16          days but less than nineteen years old who become  
17          ineligible for a med-QUEST division health care  
18          coverage program due to an increase in family income  
19          may enroll in the program upon disenrollment from a  
20          med-QUEST division health care coverage program; and  
21          provided further that uninsured newborn children who  
22          are one day, but not more than thirty days of age who



1           were enrolled in the Hawaii infant health care program  
2           shall be eligible for enrollment in the Hawaii  
3           children's health care program without being subject  
4           to the requirement of being uninsured for the  
5           precedent six months in paragraph (2).

6           (d) The department of human services and the managed care  
7 plans shall share equally in the cost of the premium for each  
8 child enrolled in the program subject to the appropriation of  
9 general funds for the program.

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

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

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

20          (h) The department shall ensure that other private  
21 organizations have the opportunity to partner with the State to  
22 offer coverage to uninsured children under the program; provided



1 that plan benefits to be provided shall be equal to or better  
2 than those offered through the program established by the State  
3 and managed care plans under subsection (a).

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

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

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

18 " ~~[+]~~§346-59.4~~[+]~~ **Medical assistance to other children.**

19 The department shall provide state-funded medical assistance~~[7~~  
20 ~~of up to two hundred per cent of the federal poverty level for~~  
21 ~~Hawaii,~~] free of charge to persons less than nineteen years of



1 age whose family income is at or below three hundred per cent of  
2 the federal poverty level for Hawaii and who are:

3 (1) Legal permanent residents who arrived after August 22,  
4 1996;

5 (2) Persons who are permanently residing under color of  
6 law; and

7 (3) Nonimmigrants from the Trust Territories of the  
8 Pacific Islands who are citizens of:

9 (A) The Marshall Islands;

10 (B) The Federated States of Micronesia; or

11 (C) Palau, as defined by the Compact of Free  
12 Association Act of 1985, P.L. 99-239, or the  
13 Compact of Free Association between the United  
14 States and the Government of Palau, P.L. 99-658,

15 who are otherwise eligible for benefits under the State's  
16 medicaid programs, including QUEST and the State's children  
17 health insurance program, but are ineligible due to restricted  
18 eligibility rules imposed by Title XXI of the Social Security  
19 Act, the Personal Responsibility and Work Reconciliation Act of  
20 1996, the Compact of Free Association Act of 1985, P.L. 99-239,  
21 the Compact of Free Association between the United States and  
22 the Government of Palau, P.L. 99-658, or any other provision of



1 federal law denying medical assistance to nonimmigrants who are  
2 citizens of the Marshall Islands, the Federated States of  
3 Micronesia, or Palau."

4 SECTION 5. The department of human services shall provide  
5 medical assistance under QUEST-Net at no charge to children less  
6 than nineteen years of age whose family income is above two  
7 hundred fifty per cent and does not exceed three hundred per  
8 cent of the federal poverty level for Hawaii and who are  
9 otherwise eligible for QUEST-Net benefits.

10 SECTION 6. It is the legislature's intent to make health  
11 care coverage for uninsured children more accessible for  
12 qualified individuals and thereby increase the overall health of  
13 Hawaii's residents, promote healthy communities, and protect the  
14 public health and welfare. It is not the intent of the  
15 legislature to discourage employers from offering to pay, or  
16 from paying for, dependent coverage for their employees, nor  
17 that this Act supplant employer-sponsored dependent coverage  
18 plans.

19 SECTION 7. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$250,000 or so much  
21 thereof as may be necessary for fiscal year 2007-2008 and the  
22 sum of \$500,000 or so much thereof as may be necessary for



1 fiscal year 2008-2009 to provide continuous, quality health care  
2 services to uninsured newborn children who are one day, but not  
3 more than thirty days of age through the Hawaii infant health  
4 care program.

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

7 SECTION 8. There is appropriated out of the general  
8 revenues of the State of Hawaii the sum of \$535,500 or so much  
9 thereof as may be necessary for fiscal year 2007-2008 and the  
10 sum of \$1,071,000 or so much thereof as may be necessary for  
11 fiscal year 2008-2009 to fund the Hawaii children's health care  
12 program pursuant to section 3 of this Act.

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

15 SECTION 9. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$109,310 or so much  
17 thereof as may be necessary for fiscal year 2007-2008 and the  
18 sum of \$218,620 or so much thereof as may be necessary for  
19 fiscal year 2008-2009 to provide health coverage pursuant to  
20 chapter 346-59.4, Hawaii Revised Statutes.

21 The sums appropriated shall be expended by the department  
22 of human services for the purposes of section 4 of this Act.



1 SECTION 10. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$428,500 or so much  
3 thereof as may be necessary for fiscal year 2007-2008 and the  
4 sum of \$857,000 or so much thereof as may be necessary for  
5 fiscal year 2008-2009 to provide medical assistance under  
6 QUEST-Net pursuant to section 5 of this Act.

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

9 SECTION 11. There is appropriated out of the general  
10 revenues of the State of Hawaii the sum of \$77,760 or so much  
11 thereof as may be necessary for fiscal year 2007-2008 and the  
12 same sum or so much thereof as may be necessary for fiscal year  
13 2008-2009 for three full-time equivalent permanent (3.00 FTE)  
14 eligibility worker I positions, to provide services pursuant to  
15 sections 2 and 4 of this Act.

16 The sums appropriated shall be expended by the department  
17 of human services for the purposes of sections 2 and 4 of this  
18 Act.

19 SECTION 12. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$100,000 or so much  
21 thereof as may be necessary for fiscal year 2007-2008 to, among  
22 other things, purchase computer equipment, office furniture, and



1 other office supplies and equipment necessary to implement  
2 sections 2 and 4 of this Act.

3 The sums appropriated shall be expended by the department  
4 of human services for the purposes of sections 2 and 4 of this  
5 Act.

6 SECTION 13. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 14. This Act shall take effect upon July 1, 2007;  
9 provided that on June 30, 2010, this Act shall be repealed and  
10 section 346-59.4, Hawaii Revised Statutes, is reenacted in the  
11 form in which it read on the day before the approval of this  
12 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. (SD1)

