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STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
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February 13, 2009

MEMORANDUM

TO: Honorable Ryan I. Yamane, Chair
House Committee on Health

FROM: Lillian B. Koller, Director

SUBJECT: **H.B. 692 – RELATING TO CHILDREN'S HEALTH CARE**

Hearing: Friday, February 13, 2009, 8:30 AM.
Conference Room 329, State Capitol

PURPOSE: The purpose of this bill is to lengthen the pilot program, the Hawaii Children's Health Care program, established under Act 236, Session Laws of Hawaii 2007, to expand health care coverage for children living in Hawaii. Appropriates funds.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill to expand health insurance to uninsured children, provided its passage does not adversely impact nor replace priorities in the Executive Biennium Budget.

Children do not chose whether or not to have health insurance, and preventive care, especially recommended immunizations, is something a child should not go without.

Children in households with incomes of 300% of the federal poverty level or less are eligible for QUEST. A family of four, for instance, can earn over \$73,000 annually and qualify. DHS encourages any parent who has lost a job or might otherwise have an income below this threshold to apply for QUEST for their children. In addition, the recently reauthorized State

Children's Health Insurance Program (SCHIP) will now allow documented resident children in the U.S. for less than five years to be eligible for Medicaid with the same income limits.

Our Medicaid QUEST comprehensive benefits far exceed the limited benefits offered under the Hawaii Children's Health Care program. Therefore, DHS would like for all children who are eligible for QUEST to be enrolled in QUEST and not the Hawaii Children's Health Care program.

Since children eligible for the Hawaii Children's Health Care program must not be eligible for any State or Federal public health care program, the health insurers participating in the program should be required to ensure ineligibility for QUEST by documenting and reporting quarterly to DHS and the Legislature on the income and residency status for each enrollee. This reporting requirement will help us ensure that children who qualify for free comprehensive health insurance through Medicaid QUEST will get into Medicaid instead of the limited benefits in the Hawaii Children's Health Care program.

Note that the number of children who can enroll will depend on the funding and if the premium is increased, then either the State's premium share would increase and therefore reduce the number of children who can be covered; or the bill would need to be amended to cap the State's share of the premium to ensure that the maximum number of children can be covered with the funding authorized. DHS also believes that a basic benefits package should be required by all participating health insurers which may need an amendment to expand the current benefits available.

Further, the need for this program should be balanced against the State's current fiscal situation.

Thank you for the opportunity to testify on this bill.

HMSA



An independent licensee of the Blue Cross and Blue Shield Association

LATE

February 13, 2009

The Honorable Ryan Yamane, Chair
The Honorable Scott Nishimoto, Vice Chair
House Committee on Health

Re: HB 692 – Relating to Children’s Health Care

Dear Chair Yamane, Vice Chair Nishimoto and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of HB 692 which would amend Act 236, Session Laws of Hawaii 2007 to extend the Hawaii children’s health care program (HMSA’s Keiki Care Plan) and require that participants receive care through Federally Qualified Health Centers.

As you aware, after the passage of Act 236 HMSA entered into a contract with the State Department of Human Services (DHS) to offer the Keiki Care plan to children who fell into the gap group of uninsured. After a delayed start due to an extensive Request for Proposal and contracting period, HMSA began providing services in April 2008. Over the course of the 7 months that the plan was in operation we experienced an enrollment increase of approximately 100 children per month.

Unfortunately in October DHS made the decision that the state would no longer support the Keiki Care plan. With only a few days notification HMSA decided to fund the program through the remainder of the year and engaged in an extensive outreach program to families through mailings and phone calls. Despite our best efforts it is likely that many of the former Keiki Care plan members are once again without health care coverage due to economic circumstances.

We appreciate the legislature’s attempt to continue this worthy program that was meeting its goals and operating in a successful manner. We support HB 692 and look forward to working towards its implementation again. Thank you for the opportunity to testify in support of HB 692.

Sincerely,

A handwritten signature in black ink, appearing to read "JD".

Jennifer Diesman
Assistant Vice President
Government Relations



LATE

February 13, 2009
8:30am
Conference Room 329

To: Rep. Ryan Yamane, Chair
Rep. Scott Nishimoto, Vice Chair
Committee on Health

From: Paula Arcena
Legislative and Community Liaison

Re: HB692 Relating to Children's Health Care
(Lengthens the pilot program established under Act 236, Session Laws of Hawaii 2007, to expand health care coverage for children living in Hawaii. Appropriates funds.)

AlohaCare strongly supports HB692.

AlohaCare is a non-profit, Hawaii based health plan founded in 1994 by Hawaii's community health centers to serve low-income families and medically vulnerable members of our community through government sponsored health insurance programs. We serve beneficiaries of Medicaid and Medicare on all islands.

The purpose of HB692 is to extend the health program for children established in Act 236, SLH 2007, to June 30, 2012, and appropriate funds for the keiki care program.

While we recognize that the State is struggling with competing priorities during this economic crisis, we believe this program is a wise investment of our very limited resources. Hawaii's gap group of uninsured children will grow with rising unemployment caused by our declining economy and this program will help to meet their needs.

The bill will help to provide coverage for children under the age of 19 from families with:

- Income at or below 300% of the federal poverty level for Hawaii;
- legal permanent residents who arrived after August 22, 1996;
- Persons permanently residing under color of law;
- Nonimmigrants from the Trust Territories of the Pacific Islands who are of –
 - The Marshall Islands;
 - The Federated States of Micronesia; or

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- Palau, as defined by the Compact of Free Association Act of 1985, P.L. 99-239, or the Compact of Free Association between the United States and the Government of Palau, P.L. 99-658.

In 2007, when Act 236 was established, it was estimated that approximately 3,500 children are in this gap group and would benefit from the keiki care program.

Without health insurance, parents will resort to using emergency rooms for care for problems that could be been prevented at less expense and risk to the child.

The program was ended prematurely and is needed now more than ever.

Thank you for the opportunity to testify on this matter.