

---

# A BILL FOR AN ACT

RELATING TO MEDICAID ELIGIBILITY.

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

1       SECTION 1. The legislature finds that it is in the State's  
2 best interest to ensure that patients waitlisted for long-term  
3 care or other types of care receive appropriate medical care by  
4 authorizing the department of human services to apply medicaid  
5 presumptive eligibility to qualified waitlisted patients.

6 Action based on presumptive eligibility means that the  
7 department of human services shall make a preliminary or  
8 "presumptive" determination to authorize medical assistance in  
9 the interval between application for assistance and the final  
10 medicaid eligibility determination based on the likelihood that  
11 the applicant will be eligible.

12       On average, there are at any given time two hundred  
13 patients in acute care hospital settings across the State who  
14 are waitlisted for long-term care. Waitlisted patients are  
15 those who are deemed medically ready for discharge and are no  
16 longer in need of acute care services, but who cannot be  
17 discharged due to various barriers, such as delays in medicaid  
18 eligibility determinations, and therefore must remain in the



1 higher-cost hospital setting. Discharge timeframes for  
2 waitlisted patients range from a few days to over one year.  
3 This situation creates a poor quality of life for the patient,  
4 presents an often insurmountable dilemma for providers and  
5 patients, and causes a serious drain on the financial resources  
6 of acute care hospitals, with ripple effects felt throughout  
7 other health care service sectors.

8       The legislature further finds that regulatory and  
9 government mandates create barriers to transferring waitlisted  
10 patients. One such barrier is the delay in completing medicaid  
11 eligibility determinations for waitlisted patients. Senate  
12 Concurrent Resolution No. 198, adopted by the legislature in  
13 2007, requested the Healthcare Association of Hawaii to conduct  
14 a study of patients in acute care hospitals who are waitlisted  
15 for long-term care, and to propose solutions to the problem.  
16 The following is an excerpt from the resulting final report to  
17 the legislature, addressing the critical problem of waitlisted  
18 patients and the regulatory barrier of medicaid eligibility  
19 determinations:

20       "Hawaii State Medicaid eligibility/re-eligibility  
21 determinations:



1 (a) Presumptive eligibility/re-eligibility: The task  
2 force is very concerned about the amount of time it  
3 takes to complete the Medicaid eligibility and re-  
4 eligibility process. Staff within hospitals, nursing  
5 facilities, etc. report spending a significant amount  
6 of time assisting families with Medicaid applications,  
7 following up with families to ensure their compliance  
8 in submitting the required documentation to support  
9 the application, hand carrying applications to the  
10 Medicaid eligibility office, following up with  
11 eligibility workers on the status of applications,  
12 etc. They report that hand-carried applications are  
13 often misplaced, the time clock for eligibility does  
14 not start until the completed application is located  
15 within DHS, family members may be non-compliant in  
16 completing the necessary paperwork since the patient  
17 is being cared for safely and the facility has no  
18 option for discharging the patient, and the providers  
19 believe that they have taken on a beneficiary services  
20 role of assisting consumers that should be assumed by  
21 DHS.



1 The Medicaid eligibility and re-eligibility  
2 application process in Hawaii is obsolete and unable  
3 to handle the current volume. It relies on a paper-  
4 driven system that receives a high volume of  
5 applications per day. Delays in processing  
6 applications in a timely manner translates to delays  
7 in access to care for Medicaid beneficiaries. Acute  
8 care hospitals report that in many cases they have not  
9 been able to transfer patients to long term care  
10 because the delay in making a determination of  
11 Medicaid eligibility resulted in too long a delay in  
12 placement in a nursing facility or home and community  
13 based setting. By the time the Medicaid eligibility  
14 was approved, the bed in the long-term care  
15 facility/setting was taken. The direct labor hours  
16 involved in following up on the process negatively  
17 impact providers across the continuum. Many have  
18 hired outside contractors to assist in the application  
19 process.

20 \* \* \*

21 (b) Shifting responsibility for consumer assistance in  
22 completing the Medicaid application from the provider



1 of service to the State Department of Human Services:  
2 Providers have taken on the role of consumer services  
3 representatives when patients/families need to submit  
4 applications for Medicaid eligibility or to reapply  
5 for eligibility. Often, providers end up spending  
6 hours to days "tracking down" required documentation  
7 to include with the Medicaid application and it has  
8 become labor intensive. Many have hired external  
9 organizations to assist in this process. Delays by  
10 patients/families in completing Medicaid applications  
11 result in bad debt and charity care incurred by  
12 providers and they have no recourse but to hold the  
13 family members accountable and/or discharge the  
14 patient due to non-payment.

15 (c) Non-compliance by family members/guardians in  
16 completing Medicaid eligibility/re-eligibility  
17 applications: In other states (ex. Nevada),  
18 legislation was passed to impose financial penalties  
19 on family members/guardians who did not actively  
20 participate in completing/submitting documentation for  
21 Medicaid eligibility/re-eligibility determinations  
22 when fraudulent activity was suspected."



1        This Act begins the process of developing a long-term  
2        solution to severe problems associated with processing medicaid  
3        applications that include extended application processing times,  
4        misplaced applications, and an inefficient paper-based  
5        application process.

6        The purpose of this Act is to require the department of  
7        human services to:

8            (1)    Provide medicaid presumptive eligibility to patients  
9                    who have been waitlisted for long-term care; and

10           (2)    Conduct a study of a computerized medicaid  
11                    applications system.

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

15        "§346-        Presumptive eligibility under medicaid for  
16        waitlisted patients. (a) The department shall presume that a  
17        waitlisted patient applying for medicaid is eligible for  
18        coverage; provided that the applicant is able to show proof of:

19            (1)    An annual income at or below the maximum level allowed  
20                    under federal law or under a waiver approved for  
21                    Hawaii under Title 42 United States Code Section  
22                    1396n, as applicable;



1       (2) Verification of assets;

2       (3) Confirmation of waitlisted status as certified by a  
3       health care provider licensed in Hawaii; and

4       (4) Meeting the level of care requirement for  
5       institutional or home- and community-based long-term  
6       care as determined by a physician licensed in Hawaii.

7       The department shall notify the applicant and the facility of  
8       the presumptive eligibility on the date of receipt of the  
9       application. The applicant shall submit the remaining documents  
10      necessary to qualify for medicaid coverage within ten business  
11      days after the applicant's receipt of notification of  
12      presumptive eligibility from the department. The department  
13      shall notify the applicant of eligibility within five business  
14      days of receipt of the completed application for medicaid  
15      coverage.

16      Waitlisted patients who are presumptively covered by  
17      medicaid shall be eligible for services and shall be processed  
18      for coverage under the State's qualifying medicaid program.

19      (b) If the waitlisted patient is later determined to be  
20      ineligible for medicaid after receiving services during the  
21      period of presumptive eligibility, the department shall  
22      disenroll the patient and notify the provider and the plan, if



1 applicable, of disenrollment by facsimile transmission or  
2 electronic mail. The department shall provide reimbursement to  
3 the provider or the plan for the time during which the  
4 waitlisted patient was enrolled."

5 SECTION 3. The department of human services shall submit  
6 to the legislature no later than twenty days prior to the  
7 convening of the regular sessions of 2011 through 2015,  
8 inclusive, a one-page executive summary on the impact which  
9 medicaid presumptive eligibility under this Act has had on the  
10 waitlist of patients who require transfer to a long-term care  
11 facility, and other issues related to medicaid presumptive  
12 eligibility.

13 SECTION 4. The department of human services shall conduct  
14 a study of a computerized system for processing medicaid  
15 applications, including consideration of:

- 16 (1) Different alternatives, an assessment of each  
17 alternative, and costs associated with each  
18 alternative;  
19 (2) The requirements of Hawaii's medicaid program, the  
20 ability of each alternative to meet these  
21 requirements, and recommendations of the best  
22 alternative; and





1           (3) Any other information the department deems relevant in  
2           making recommendations for an alternative processing  
3           system.

4           The department of human services shall submit a one-page  
5           executive summary to the legislature no later than twenty days  
6           prior to the convening of the regular session of 2011, of the  
7           study and findings and recommendations for an alternative system  
8           for processing medicaid applications.

9           SECTION 5. There is appropriated out of the general  
10          revenues of the State of Hawaii the sum of \$200,000 or so much  
11          thereof as may be necessary for fiscal year 2010-2011 to cover  
12          the cost of any reimbursements made to providers or plans for  
13          services provided during the time waitlisted patients are  
14          enrolled for services based on the presumptive eligibility for  
15          medicaid established under this Act, but eventually determined  
16          to be ineligible for medicaid.

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

19          SECTION 6. New statutory material is underscored.



1 SECTION 7. This Act shall take effect on July 1, 2010.



**Report Title:**

Medicaid; Presumptive Eligibility; Applications; Appropriations

**Description:**

Requires the department of human services to provide medicaid presumptive eligibility to patients who have been waitlisted for long-term care; and conduct a study of a computerized medicaid applications system; requires reports to the legislature. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

