### A BILL FOR AN ACT

RELATING TO UNIVERSAL CHILDREN'S SAVINGS ACCOUNTS.

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

1	PART I
2	SECTION 1. The legislature finds that figures from the
3	United States Census Bureau report that the State of Hawaii is
4	facing its third consecutive year with an increase in
5	impoverished residents. The poverty rate in Hawaii rose to over
6	twelve per cent in 2009, with more than 156,000 people living
. 7	below the poverty line. The poverty rate in 2009 was the
8	highest in Hawaii since 1997, when the poverty rate stood at
9	nearly fourteen per cent.
10	The legislature finds that nearly thirty per cent of
11	households headed by a single woman are in poverty. Poverty is
12	a cyclical problem, passing from generation to generation. It
13	is more likely that children being raised in poverty by single
14	mothers will remain in poverty throughout their lives.
15	The legislature also finds that the rate of family savings
16	is the lowest that it has been since the Great Depression.
17	Research indicates that twenty-five per cent of households in

- 1 Hawaii are "asset poor", meaning those households do not have
- 2 enough wealth to meet basic needs for a limited period of time.
- 3 The legislature also finds that a study conducted by the
- 4 Center for Social Development at Washington University in St.
- 5 Louis found that students with savings are significantly more
- 6 likely to pursue a higher education. Additionally, when savings
- 7 were taken into account, academic achievement was no longer a
- 8 significant predictor of college attendance.
- 9 The legislature finds that healthy children and adults are
- 10 less likely to live in poverty. Poor health practices in a
- 11 child's developmental stages can lead to an unhealthy lifestyle
- 12 as an adult, including conditions or habits such as obesity,
- 13 smoking, alcoholism, and substance abuse. Children with
- 14 unhealthy practices are less likely to pursue higher education.
- 15 It is imperative to infuse healthy behavior into the lives of
- 16 Hawaii's youth to increase the chances of having a healthier
- 17 Hawaii.
- 18 The legislature finds that the early periodic screening,
- 19 diagnosis, and treatment program is a federally mandated set of
- 20 services and benefits for all individuals under age twenty-one
- 21 who are enrolled in medicaid. All medically necessary
- 22 diagnostic and treatment services within the federal definition



- 1 of medicaid medical assistance must be covered, regardless of
- 2 whether those services are otherwise covered under a state
- 3 medicaid plan.
- 4 The legislature also finds that health screening
- 5 initiatives under the child's health insurance program are
- 6 activities that promote public health, promote individual
- 7 health, improve or promote a state's capacity to deliver public
- 8 health services, or strengthen the human and material resources
- 9 necessary to accomplish public health goals. Health screening
- 10 initiatives must be related to improving the health of children,
- 11 including targeted and other low-income children. Health
- 12 screening initiatives under the child's health insurance program
- 13 are a mechanism for states to get creative and utilize more
- 14 federal funding. However, no more than ten per cent of a
- 15. state's administrative costs may fund the child's health
- 16 insurance program.
- 17 The purpose of this Act is to establish a universal
- 18 children's savings account pilot project for medicaid-eligible
- 19 children who are enrolled in Hawaii's QUEST program.

20 PART II

1	SECT	'ION 2. (a) There is established a universal
2	children'	s savings account pilot project within the department
3	of human	services for administrative purposes.
4	(b)	The department shall apply with the United States
5	Centers f	or Medicare and Medicaid Services to launch a health
6	services	initiative under the children's health insurance
7	program.	Under this program the department shall:
8	(1)	Establish a children's savings account for every
. 9		medicaid-eligible child born between July 1, 2011, to
10		June 30, 2012, up to age five, who is enrolled in the
11	•	State of Hawaii's QUEST program;
12	(2)	Add a contribution amount to an eligible child's
13		savings account, following the child's early periodic
14		screening, diagnosis, and treatment program visits;
15	(3)	Develop and foster public-private partnerships in the
16		community, in order to increase the contribution
<b>17</b> .		amount for each eligible child's savings account;
18	(4)	Promote and educate eligible children and their
19		families on the importance of annual health visits in
20		order to encourage healthier lifestyles and practices;
21		and

1	(5)	Promote and educate eligible children and their
2		families on the importance of developing a savings
3		account.
4	(·c)	Eligible children shall not have access to the funds
5	in the un	iversal children's savings accounts until they reach
6	eighteen	years of age.
7	(d)	Funds in universal children's savings accounts shall
8	be used o	nly for health-related purposes.
9	(e)	The department may hire staff or contract with an
10	outside t	hird party to administer this program.
11	SECT	ION 3. The department shall submit a report to the
12	legislatu	re no later than twenty days prior to the convening of
13	the 2012	regular session, which shall include:
14	(1)	The status of the universal children's savings accoun-
15		pilot project request with the United States Centers
16		for Medicare and Medicaid Services;
. 17	(2)	The number of savings accounts opened for eligible
18		children;
19	(3)	The total dollar amount necessary to open a savings

account for each eligible child;

The budgeted dollar amount for each matching

contribution in the year immediately following an

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1		early periodic screening, diagnosis, and treatment
2		program visit for every eligible child;
3	(5)	The number of staff hired;
4	(6)	The name of any third party administrator contracted
5		to administer the pilot project, and the total dollar
6		amount of the contract;
7	(7)	The number and names of any private sector or non-
8		profit partnerships established to support the pilot
9		project;
10	(8)	Any obstacles or challenges that were encountered; and
11	(9)	Any other relevant information pertinent to the
12		implementation and execution of the pilot project.
13	SECT	ION 4. This Act shall take effect upon its approval;
14	provided	that this Act shall be repealed on December 31, 2030.
15		John M. Mysoro
		INTRODUCED BY:

JAN 2 1 2011

#### Report Title:

Universal Children's Savings Account Pilot Project; QUEST

#### Description:

Creates a universal children's savings account pilot project under the department of human services, open to medicaideligible children enrolled in the QUEST program. Repeals 12/31/30.

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