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# A BILL FOR AN ACT

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RELATING TO CHILDREN'S HEALTH CARE.

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

1       SECTION 1. The legislature finds that keiki care was a  
2 pilot program of the department of human services med-QUEST  
3 division that started in 2008 as a result of Act 236, Session  
4 Laws of Hawaii 2007. The pilot program provided health  
5 insurance to 1,974 children as of August 31, 2008. The intended  
6 purpose of the pilot program was to provide health insurance for  
7 children who were otherwise uninsured provided that they were  
8 not eligible for other state or federal health care coverage.  
9 The state paid \$25.50 per child per month for keiki care at the  
10 total cost of \$50,337 per month. On November 1, 2008, the  
11 governor discontinued the pilot program more than two years  
12 short of the span intended by Act 236.

13       Although estimates of the number of uninsured children in  
14 the State vary, there is a gap group that is ineligible for any  
15 state or federal health care coverage. The majority of children  
16 in this gap group are those whose family income is at or just  
17 over three hundred per cent of the federal poverty level.



1 Others in this group may include infants born to uninsured  
2 mothers, immigrants with temporary visas, and undocumented  
3 immigrants who have been in Hawaii for less than six months.  
4 The United States Census Bureau estimates that the total number  
5 of children in Hawaii who fell into the gap group in 2016 was  
6 6,897.

7 Children who remain uninsured typically do not receive an  
8 appropriate level of medical care. Children who lack a source  
9 of care or who turn regularly to a hospital emergency department  
10 are unlikely to receive preventive care or early and regular  
11 management of acute or chronic health conditions.

12 A study performed by the Urban Institute, a nonpartisan  
13 economic and social policy research organization, showed that  
14 regardless of age, race, ethnicity, income, or health status,  
15 uninsured children were much less likely to have received a  
16 well-child checkup within the past year and were more likely  
17 than insured children to report an unmet need for medical care  
18 that was associated with concerns about cost.

19 Health insurance helps children and youth receive regular  
20 health care so they can participate in school and other  
21 activities. Often, parents experience hardship when an



1 uninsured child is sick because of the added stress caused by  
2 the child's medical bills.

3 The purpose of this Act is to establish the Hawaii infant  
4 health care program and the Hawaii children's health care  
5 program as temporary three-year pilot programs to expand and  
6 monitor health care coverage for children in Hawaii by:

7 (1) Providing continuous, quality health care services to  
8 uninsured newborn children who are one day, but not  
9 more than thirty days of age through the Hawaii infant  
10 care program; provided that these children may enroll  
11 in the Hawaii children's health care program upon  
12 reaching thirty-one days of age;

13 (2) Providing health care coverage to certain children who  
14 are at least thirty-one days, but less than nineteen  
15 years old through a public-private partnership between  
16 the department of human services and one or more  
17 managed care plans operating in the State under  
18 chapter 432, Hawaii Revised Statutes, that offer  
19 accident and health or sickness insurance plans; and

20 (3) Appropriating funds for these pilot programs.



1       SECTION 2. (a) There is established the Hawaii infant  
2 health care program as a temporary three-year pilot program to  
3 provide continuous, quality health care services to uninsured  
4 newborn children living in Hawaii who are one day, but not more  
5 than thirty days of age, with up to \$10,000 of health care  
6 assistance per eligible child, subject to the appropriation of  
7 general funds for the program.

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

12       (c) Services provided pursuant to the Hawaii infant health  
13 care program shall be the same as services for children covered  
14 by med-QUEST.

15       (d) The department may contract with an appropriate entity  
16 to provide health care services required by the Hawaii infant  
17 health care program. The department of human services or its  
18 designated contractor shall directly reimburse any health care  
19 provider or managed care plan providing services to infants  
20 under the Hawaii infant health care program, subject to the  
21 appropriation of general funds for the program.



1 (e) The department shall submit a report of findings and  
2 recommendations, including any proposed legislation to the  
3 legislature no later than twenty days prior to the convening of  
4 the 2019, 2020, and 2021 regular sessions. The report shall  
5 include:

6 (1) The number of children who were provided services  
7 through the Hawaii infant health care program;

8 (2) A list of health care providers or managed care plans  
9 participating in the program;

10 (3) The annual cost of the program; and

11 (4) Recommendations regarding continuation of the program  
12 beyond its three-year expiration and any improvements  
13 to the program.

14 SECTION 3. (a) There is established the Hawaii children's  
15 health care program as a temporary three-year pilot program to  
16 provide health care coverage to uninsured children who live in  
17 Hawaii. The department of human services shall provide health  
18 care coverage through a public-private partnership, established  
19 as a contract to provide health and human services pursuant to  
20 chapter 103F, Hawaii Revised Statutes, between the department  
21 and one or more managed care plans operating in the State under



1 chapter 432, Hawaii Revised Statutes, that offer accident and  
2 health or sickness insurance plans. Health care coverage  
3 provided shall be the same as coverage for children provided by  
4 med-QUEST.

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

9 (c) To qualify, a child shall:

10 (1) Be between thirty-one days and nineteen years old;

11 (2) Be living in Hawaii;

12 (3) Have been uninsured continually for at least six  
13 months; provided that infants thirty-one days to six  
14 months of age shall have been uninsured continually  
15 since birth; and

16 (4) Have been ineligible during the six months the child  
17 was uninsured for any other state or federal health  
18 care coverage and be currently ineligible for any  
19 other state or federal health care coverage; provided  
20 that:



1 (A) All children enrolled in a managed care plan's  
2 children's plan as of the effective date of this  
3 Act shall be eligible for enrollment in the  
4 Hawaii children's health care program without  
5 being subject to the requirement of being  
6 uninsured for the preceding six months in  
7 paragraph (3);

8 (B) Children who are between thirty-one days and  
9 nineteen years old who become ineligible for a  
10 state or federal health care coverage program due  
11 to an increase in family income may enroll in the  
12 program upon disenrollment from the applicable  
13 state or federal health care coverage program;  
14 and

15 (C) Uninsured newborn children who were enrolled in  
16 the Hawaii infant health care program shall be  
17 immediately eligible for enrollment in the Hawaii  
18 children's health care program at thirty-one days  
19 of age.

20 (d) The department of human services and the managed care  
21 plans shall share equally in the cost of the premium for each



1 child enrolled in the program subject to the appropriation of  
2 general funds for the program.

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

5 (f) The managed care plans participating in the pilot  
6 program shall be responsible for determining the eligibility of  
7 program applicants and of enrolling applicants in the pilot  
8 program.

9 (g) The managed care plans participating in the program  
10 shall provide a quarterly report to the department of human  
11 services and the legislature on the number of children enrolled  
12 in the program.

13 (h) The department shall ensure that other private  
14 organizations have the opportunity to partner with the State to  
15 offer coverage to uninsured children under the program; provided  
16 that plan benefits to be provided shall be the same as services  
17 for children covered by med-QUEST and managed care plans under  
18 subsection (a).

19 (i) The department of human services and any participating  
20 managed care plan shall report to the legislature no later than





1 twenty days prior to the start of the 2019, 2020, and 2021

2 regular sessions on:

3 (1) Any problems experienced with the program involving

4 crowding out eligible participants;

5 (2) Instances of individuals cancelling or losing previous

6 health care coverage to receive coverage for

7 themselves or their children under the Hawaii

8 children's health care program;

9 (3) An accounting of funding used and for what purposes;

10 (4) Any other problems encountered in the administration

11 of the program; and

12 (5) Any proposed legislation including recommendations

13 regarding continuation of the program beyond its

14 three-year termination and any improvements to the

15 program.

16 SECTION 4. It is the legislature's intent to make health  
17 care services and coverage for uninsured children more  
18 accessible for qualified individuals and thereby increase the  
19 overall health of Hawaii's residents, promote healthy  
20 communities, and protect the public health and welfare. It is  
21 not the intent of the legislature to discourage employers from



1 offering to pay, or from paying for, dependent coverage for  
2 their employees, nor that this Act supplant employer-sponsored  
3 dependent coverage plans.

4 SECTION 5. There is appropriated out of the general  
5 revenues of the State of Hawaii the sum of \$150,000 or so much  
6 thereof as may be necessary for fiscal year 2018-2019 to provide  
7 continuous, quality health care services to uninsured newborn  
8 children who are one day, but not more than thirty days of age  
9 through the Hawaii infant health care program.

10 The sum appropriated shall be expended by the department of  
11 human services for the purposes of section 2 of this Act.

12 SECTION 6. There is appropriated out of the general  
13 revenues of the State of Hawaii the sum of \$700,000 or so much  
14 thereof as may be necessary for fiscal year 2018-2019 to fund  
15 the Hawaii children's health care program pursuant to section 3  
16 of this Act.

17 The sum appropriated shall be expended by the department of  
18 human services for the purposes of section 3 of this Act.

19 SECTION 7. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$52,000 or so much  
21 thereof as may be necessary for fiscal year 2018-2019 for two



1 full-time equivalent permanent (2.00 FTE) eligibility worker I  
2 positions for the Hawaii infant care program.

3 The sum appropriated shall be expended by the department of  
4 human services for the purposes of section 2 of this Act.

5 SECTION 8. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$50,000 or so much  
7 thereof as may be necessary for fiscal year 2018-2019 for  
8 administrative costs, including the purchase of computer  
9 equipment, office furniture, and other supplies and equipment  
10 necessary to implement section 2 of this Act.

11 The sum appropriated shall be expended by the department of  
12 human services for the purposes of section 2 of this Act.

13 SECTION 9. This Act shall take effect on July 1, 2018 and  
14 shall be repealed on June 30, 2021.

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INTRODUCED BY:



Andy Evans  
R. R.  
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JAN 24 2018



# H.B. NO. 2738

**Report Title:**

Children's Health Care Program; Appropriations

**Description:**

Creates a three-year pilot program to expand availability of health care services coverage for infants and children living in Hawaii. Appropriates funds.

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

