

JAN 17 2018

A BILL FOR AN ACT

RELATING TO HOMELESSNESS.

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

1 SECTION 1. The legislature finds that homelessness
2 continues to be one of the State's most significant and
3 challenging social problems. According to the 2017 Hawaii
4 statewide homeless point-in-time conducted in January 2017,
5 there are 7,220 homeless individuals in the State. Homeless
6 persons face a myriad of issues, including general health care,
7 mental illness, substance abuse, loss of employment and income,
8 and a lack of affordable housing.

9 The legislature further finds that many people who
10 experience homelessness have high health care needs and costs.
11 In fact, a recent internal study by a major Hawaii insurer found
12 that over half of the State's \$2,000,000,000 medicaid allotment
13 was consumed by a tiny fraction of individuals, many of whom are
14 dealing with homelessness, mental illness, and substance
15 addiction. For many of these individuals with complex health
16 conditions, housing instability can be a significant barrier to
17 regular health care access, which results in excessive use of



1 expensive emergency department, inpatient treatment, and crisis
2 services. A study by the Center for Outcomes Research and
3 Education found that affordable housing reduced overall health
4 care expenditures by twelve per cent for medicaid recipients.
5 This savings in medicaid expenditures resulted from an eighteen
6 per cent decrease in costly emergency department visits and a
7 twenty per cent increase in less costly primary care services.
8 By recognizing the importance of housing stability within the
9 practice of health care for homeless individuals and exploring
10 creative and innovative solutions to address homeless
11 individuals' health care needs through housing stability from
12 traditional and non-traditional resources, the State may be able
13 to recover hundreds of millions of dollars a year.

14 Because of the significant connection between homelessness
15 and health, the legislature finds and declares that homelessness
16 is a medical condition and believes that homelessness should be
17 treated similarly to other medical conditions.

18 The purpose of this Act is to:

19 (1) Beginning January 1, 2019, require all health plans in
20 the State, including Hawaii employer-union health
21 benefits trust fund health plans and medicaid managed



1 care programs, to provide coverage for the treatment
2 of homelessness; and

3 (2) Require the department of human services to seek a
4 section 1115 waiver to amend the state medicaid plan
5 to include housing and supportive housing services for
6 chronically homeless individuals.

7 SECTION 2. Chapter 431, Hawaii Revised Statutes, is
8 amended by adding a new section to article 10A to be
9 appropriately designated and to read as follows:

10 "§431:10A- Homelessness; benefits and coverage; homeless
11 individuals. (a) Each individual or group accident and health
12 or sickness insurance policy issued or renewed in this State
13 after January 1, 2019, shall provide to the policyholder
14 coverage for the treatment of homelessness.

15 (b) This section shall not apply to disability, accident-
16 only, medicare, medicare supplement, student accident and health
17 or sickness insurance, dental-only, and vision-only policies or
18 policies or renewals of six months or less.

19 (c) Every insurer shall provide written notice to its
20 policyholders regarding the coverage required by this section.
21 The notice shall be in writing and prominently positioned in any



1 literature or correspondence sent to policyholders and shall be
2 transmitted to policyholders within calendar year 2019 when
3 annual information is made available to policyholders or in any
4 other mailing to policyholders, but in no case later than
5 December 31, 2019.

6 (d) Coverage for the treatment of homelessness under this
7 section shall be subject to a maximum benefit of \$ _____ per
8 year. This section shall not be construed as limiting benefits
9 that are otherwise available to an individual under an accident
10 and health or sickness insurance policy. Payments made by an
11 insurer on behalf of a covered individual for any care,
12 treatment, intervention, or service other than treatment of
13 homelessness shall not be applied toward the maximum benefit
14 established under this subsection.

15 (e) Coverage under this section may be subject to
16 copayment, deductible, and coinsurance provisions of an accident
17 and health or sickness insurance policy that are no less
18 favorable than the copayment, deductible, and coinsurance
19 provisions for substantially all medical services covered by the
20 policy.



1 (f) Treatment for homelessness shall include a treatment
2 plan. Except for inpatient services, if an individual is
3 receiving treatment for homelessness, an insurer may request a
4 review of the treatment plan for continued authorization of
5 coverage for treatment of homelessness at the insurer's
6 discretion.

7 (g) The medical necessity of treatment covered by this
8 section shall be determined pursuant to the policy and shall be
9 defined in the policy in a manner that is consistent with other
10 services under the policy. Except for inpatient services, if an
11 individual is receiving treatment for homelessness, an insurer
12 may request a review of the medical necessity of that treatment
13 at the insurer's discretion.

14 (h) This section shall not be construed as reducing any
15 obligation to provide services to an individual under any
16 publicly funded program, an individualized family service plan,
17 an individualized education program, or an individualized
18 service plan.

19 (i) As used in this section, unless the context clearly
20 requires otherwise:



1 "Homeless individual" has the same meaning as defined in
2 section 334-1.

3 "Treatment" or "treatment for homelessness" includes the
4 following care prescribed or ordered for a homeless individual
5 by a licensed physician if the care is determined to be
6 medically necessary:

- 7 (1) Behavioral health services, including mental health
8 and substance abuse services;
9 (2) Case management;
10 (3) Personal care and personal assistance services; and
11 (4) Home and community-based services."

12 SECTION 3. Chapter 432, Hawaii Revised Statutes, is
13 amended by adding a new section to article 1 to be appropriately
14 designated and to read as follows:

15 **"§432:1- Homelessness; benefits and coverage; homeless**
16 **individuals.** (a) Each hospital and medical service plan
17 contract issued or renewed in this State after January 1, 2019,
18 shall provide to the member covered under the plan contract
19 coverage for the treatment of homelessness.

20 (b) This section shall not apply to disability, accident-
21 only, medicare, medicare supplement, student accident and health



1 or sickness insurance, dental-only, and vision-only policies or
2 policies or renewals of six months or less.

3 (c) Every mutual benefit society shall provide written
4 notice to its members regarding the coverage required by this
5 section. The notice shall be in writing and prominently
6 positioned in any literature or correspondence sent to members
7 and shall be transmitted to members within calendar year 2019
8 when annual information is made available to members or in any
9 other mailing to members, but in no case later than December 31,
10 2019.

11 (d) Coverage for the treatment of homelessness under this
12 section shall be subject to a maximum benefit of \$ _____ per
13 year. This section shall not be construed as limiting benefits
14 that are otherwise available to a member under a hospital and
15 medical service plan contract. Payments made by a mutual
16 benefit society on behalf of a member for any care, treatment,
17 intervention, or service other than treatment of homelessness
18 shall not be applied toward the maximum benefit established
19 under this subsection.

20 (e) Coverage under this section may be subject to
21 copayment, deductible, and coinsurance provisions of a hospital



1 and medical service plan contract that are no less favorable
2 than the copayment, deductible, and coinsurance provisions for
3 substantially all medical services covered by the plan contract.

4 (f) Treatment for homelessness shall include a treatment
5 plan. Except for inpatient services, if an individual is
6 receiving treatment for homelessness, a mutual benefit society
7 may request a review of the treatment plan for continued
8 authorization of coverage for treatment of homelessness at the
9 mutual benefit society's discretion.

10 (g) The medical necessity of treatment covered by this
11 section shall be determined pursuant to the plan contract and
12 shall be defined in the plan contract in a manner that is
13 consistent with other services under the plan contract. Except
14 for inpatient services, if an individual is receiving treatment
15 for homelessness, a mutual benefit society may request a review
16 of the medical necessity of that treatment at the society's
17 discretion.

18 (h) This section shall not be construed as reducing any
19 obligation to provide services to an individual under any
20 publicly funded program, an individualized family service plan,



1 an individualized education program, or an individualized
2 service plan.

3 (i) As used in this section, unless the context clearly
4 requires otherwise:

5 "Homeless individual" has the same meaning as defined in
6 section 334-1.

7 "Treatment" or "treatment for homelessness" includes the
8 following care prescribed or ordered for a homeless individual
9 by a licensed physician if the care is determined to be
10 medically necessary:

11 (1) Behavioral health services, including mental health
12 and substance abuse services;

13 (2) Case management;

14 (3) Personal care and personal assistance services; and

15 (4) Home and community-based services."

16 SECTION 4. Section 432D-23, Hawaii Revised Statutes, is
17 amended to read as follows:

18 **"§432D-23 Required provisions and benefits.**

19 Notwithstanding any provision of law to the contrary, each
20 policy, contract, plan, or agreement issued in the State after
21 January 1, 1995, by health maintenance organizations pursuant to



1 this chapter, shall include benefits provided in sections
2 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-
3 116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,
4 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, 431:10A-132,
5 431:10A-133, 431:10A-134, 431:10A-140, and [~~431:10A-134~~]
6 431:10A-, and chapter 431M."

7 SECTION 5. The department of human services shall seek a
8 waiver pursuant to section 1115 of the Social Security Act,
9 title 42 United States Code section 1315, and other approvals
10 from the Centers for Medicare and Medicaid Services that may be
11 necessary to amend the state medicaid plan to include housing
12 and supportive housing services for medicaid eligible
13 individuals, especially individuals experiencing chronic
14 homelessness.

15 SECTION 6. The coverage and benefit for the treatment of
16 homelessness to be provided by a health maintenance organization
17 under section 4 of this Act shall apply to all policies,
18 contracts, plans, or agreements issued or renewed in this State
19 by a health maintenance organization after January 1, 2019.

20 SECTION 7. The mandatory coverage and treatment for
21 homelessness required by this Act shall apply to:



1 (1) All health benefits plans under chapter 87A, Hawaii
 2 Revised Statutes, issued, renewed, modified, altered,
 3 or amended on or after January 1, 2019; and

4 (2) All plans under medicaid managed care programs in the
 5 State.

6 SECTION 8. This Act does not affect rights and duties that
 7 matured, penalties that were incurred, and proceedings that were
 8 begun before its effective date.

9 SECTION 9. Statutory material to be repealed is bracketed
 10 and stricken. New statutory material is underscored.

11 SECTION 10. This Act shall take effect on July 1, 2018;
 12 provided further that paragraph (2) of section 7 shall take
 13 effect upon approval of the 1115 waiver by the Centers for
 14 Medicare and Medicaid Services submitted pursuant to section 5
 15 of this Act.

16

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S.B. NO. 2025

Report Title:

Homelessness; Treatment; Mandatory Health Coverage; Medicaid

Description:

Beginning January 1, 2019, requires all health plans in the State, including EUTF health plans and medicaid managed care programs, to provide coverage for the treatment of homelessness. Requires the department of human services to seek a section 1115 waiver to amend the state medicaid plan to include housing and supportive housing services for chronically homeless individuals.

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

