

ACT 202

H.B. NO. 3357

A Bill for an Act Making an Appropriation for Medicaid Options.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that there has long been a recognition that some state dollars currently spent on programs for the poor and uninsured could be replaced by federal medicaid dollars.

Additionally, there has been a trend toward increasing eligibility for medicaid in Hawaii, but little systematic analysis of effective eligibility options is available to the State.

The legislative auditor in a report entitled, Study and Plan for Maximizing Federal Medicaid Funds for Hawaii, evaluated the foregoing problems and made recommendations on how the State can maximize federal dollars in the Hawaii state medicaid program. The purpose of this bill is to ensure that the recommendations contained in the legislative auditor's report are implemented.

SECTION 2. In accordance with Section 9 of Article VII of the Constitution of the State of Hawaii and sections 37-91 and 37-93, Hawaii Revised Statutes, the legislature has determined that the appropriation contained in this Act will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$55,000, or 0.002 per cent. The reasons for exceeding the general fund expenditure ceiling are that the appropriation made in this Act is necessary to serve the public interest and to meet the need provided for in this Act.

SECTION 3. The department of human services shall:

- (1) Adopt medicaid's targeted case management benefit to cover care coordination services furnished to a number of medically complex, developmentally disabled, mentally ill, and other high risk populations served by department of health programs;
- (2) Permit medicaid coverage of occupational therapy and physical therapy services delivered to special education students under Hawaii's existing medicaid ancillary therapy benefit;

- (3) Expand the State's medicaid definition of rehabilitation services to permit coverage of mental health services to students with emotional problems and to adults with severe emotional disability;
- (4) Adopt medicaid coverage of certain public health nursing services under the independent licensed practitioner benefit;
- (5) Assure that the department of health's claims to medicaid reimbursement for family planning services are made under the family planning category, which provides substantially greater federal financial participation;
- (6) Increase the State's medicaid reimbursement rate for clinic services to reflect the actual service costs of providers; and
- (7) Require the department of health providers of services to bill medicaid for all medicaid-reimbursable services.

SECTION 4. Section 346-14, Hawaii Revised Statutes, is amended to read as follows:

“§346-14 Duties generally. Except as otherwise provided by law, the department of human services shall:

- (1) Establish and administer programs and standards, and adopt rules as deemed necessary for all public assistance programs;
- (2) Establish, extend, and strengthen services for the protection and care of neglected children and children in danger of becoming delinquent;
- (3) Assist in preventing family breakdown;
- (4) Place, or cooperate in placing, neglected children in suitable private homes or institutions and place, or cooperate in placing, children in suitable adoptive homes;
- (5) Have authority to establish, maintain, and operate receiving homes for the temporary care and custody of neglected children until suitable plans are made for their care; and accept from the police and other agencies, for temporary care and custody, any neglected child until satisfactory plans are made for the child;
- (6) Administer the medical assistance programs for eligible public welfare and other medically needy individuals by establishing standards, eligibility, and health care participation rules, payment methodologies, reimbursement allowances, systems to monitor recipient and provider compliance, and assuring compliance with federal requirements in order to maximize federal financial participation;
- (7) Cooperate with the federal government in carrying out the purposes of the Social Security Act and in other matters of mutual concern pertaining to public welfare, public assistance, and child welfare services, including the making of reports, the adoption of methods of administration, and the making of rules as are found by the federal government, or any properly constituted authority thereunder, to be necessary or desirable for the efficient operation of the plans for public welfare, assistance, and child welfare services or as may be necessary or desirable for the receipt of financial assistance from the federal government;
- (8) Carry on research and compile statistics relative to public and private welfare activities throughout the State, including those dealing with dependence, defectiveness, delinquency, and related problems;

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- (9) Develop plans in cooperation with other public and private agencies for the prevention and treatment of conditions giving rise to public welfare problems;
- (10) Adopt rules governing the procedure in hearings, investigations, recording, registration, determination of allowances, and accounting and conduct other activities as may be necessary or proper to carry out this chapter;
- (11) Supervise or administer any other activities authorized or required by this chapter, including the development of the staff of the department through in-service training and educational leave to attend schools and other appropriate measures, and any other activities placed under the jurisdiction of the department by any other law;
- (12) Make, prescribe, and enforce policies and rules governing the activities provided for in section 346-31 it deems advisable, including the allocation of moneys available for assistance to persons assigned to work projects among the several counties or to particular projects where the apportionment has not been made pursuant to other provisions of law, if any, governing expenditures of the funds;
- (13) Determine the appropriate level for the Hawaii security net, by developing a tracking and monitoring system to determine what segments of the population are not able to afford the basic necessities of life, and advise the legislature annually regarding the resources required to maintain the security net at the appropriate level; [and]
- (14) Subject to the appropriation of state funds and availability of federal matching assistance, expand optional health care to low-income persons as follows: pregnant women and infants under one year of age living in families with incomes up to one hundred eighty-five per cent of the federal poverty level and without any asset restrictions, children under [four] six years of age living in families with incomes [below] up to one hundred thirty-three per cent of the federal poverty level and without any asset restrictions, older children to the extent permitted under optional federal medicaid rules, elderly persons, aliens, the homeless, and other handicapped and medically needy persons[.]; and
- (15)¹ Subject to the appropriation of state funds and availability of federal matching assistance, establish the income eligibility level for the medically needy program at one hundred thirty-three per cent of the assistance allowance."

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$55,000, or so much thereof as may be necessary for fiscal year 1990-1991, for the creation of special medicaid staffing to implement medicaid option changes. The sum appropriated shall be expended by the department of health for the purposes of this Act.

SECTION 6. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 1990.

(Approved June 19, 1990.)

Note

1. So in original.