

ACT 6

S.B. NO. 2

A Bill for an Act Relating to Temporary Health Insurance for Unemployed Persons.

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

SECTION 1. The terrorist attacks in New York, Virginia, and Pennsylvania on September 11, 2001, have significantly raised global concerns about the safety of air travel. Because Hawaii is an island destination, air travel is the primary means of arrival for the large majority of Hawaii's visitors. The current concern with air travel has devastated tourism, the State's primary industry, and the ripple effect has been felt in all sectors of our economy.

The downturn in our visitor industry has caused significant numbers of our residents to be victims of employment furloughs, layoffs, reduced work hours, and terminations. While these former employees may obtain some financial relief through unemployment insurance benefits, they may not, for financial or other reasons, be able to continue their health care insurance coverage.

The purpose of this Act is to help unemployed persons to maintain health care coverage by providing a temporary program of health insurance.

SECTION 2. There is established the temporary health insurance for unemployed persons program to provide temporary health care coverage for persons who have lost employment on or after September 11, 2001.

To be eligible to participate in this program the person shall:

- (1) Have lost the person's health insurance as a result of a furlough, layoff, reduced work hours, or termination of employment on or after September 11, 2001;
- (2) Not be eligible for any health insurance coverage from another source; and
- (3) Agree to pay for the costs of the person's coverage premium.

This program shall have a benefit package similar to the basic benefits provided in the department's QUEST-Net program and shall be administered by the department of human services.

SECTION 3. If a person is entitled to continue health insurance coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA), the

person may apply for reimbursement of payments made for the purpose of continuing the person's health insurance medical and prescription drug coverage up to the following monthly amounts:

Single: \$125.00

Family: \$315.00

The total reimbursement a person may collect under this section shall be for three months of coverage from the effective date of the individual's loss of coverage.

A person is eligible for reimbursement of payments if:

- (1) The person became unemployed, furloughed, or suffered a reduction in work hours which has resulted in the loss of the person's employment related group health insurance which occurred on or after the September 11, 2001, disaster, and is ineligible for any other insurance through the person's spouse or parents;
- (2) The person is entitled to continue health insurance coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA);
- (3) The person is not eligible for any other employment related group health coverage reimbursement or subsidy aimed to assist the unemployed person in continuing the person's group health insurance coverage;
- (4) The person certifies in writing the amount paid by the person for prescription and medical coverage for the three-month period beginning on the effective date of the person's loss of coverage; and
- (5) The person's employer certifies in writing that the person is not entitled to any other subsidy offered by the employer or the employer's health insurer.

SECTION 4. There is appropriated out of the general funds of the State of Hawaii the sum of \$1,587,600 or so much thereof as may be necessary for fiscal year 2001-2002 and the sum of \$1,360,800 or so much thereof as may be necessary for fiscal year 2002-2003 for administration of the program established by this Act.

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

SECTION 5. There is appropriated out of the general funds of the State of Hawaii the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2001-2002 for the reimbursement of payments made under this Act.

The sum appropriated shall be expended by the department of labor and industrial relations for the purposes of this Act.

SECTION 6. This Act shall take effect on December 1, 2001, and shall be repealed on December 21, 2002.

(Approved November 2, 2001.)