

ACT 10

S.B. NO. 1772

A Bill for an Act Relating to Employers.

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

SECTION 1. The legislature finds that many employees at large companies are paid low wages and qualify for government programs for the poor and near poor. If large employers do not fully cover the cost of health care coverage for their employees, taxpayers are often forced to pay the cost. The children of these low-paid workers qualify for government benefits under medicaid and the state children's health insurance program because most of these employees are low-wage workers.

For example, in Georgia, more than ten thousand children of Wal-Mart employees were enrolled in Georgia's public health insurance program for children, PeachCare, according to a 2002 state government study. The number of Wal-Mart employees' children enrolled in the program far exceeded the number of children of any other employer. Wal-Mart's failure to cover these children cost federal and state

taxpayers an estimated \$6,600,000. In Washington, Wal-Mart had four hundred fifty-three children, the highest in Washington, enrolled in medicaid in 2002.

The purpose of this Act is to enable the State to determine which employers are shifting the responsibility for providing health care coverage for their workers to taxpayers.

SECTION 2. Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§346- Medical assistance application information; annual report; public disclosure. (a) Each applicant for medical assistance under any program administered by the department shall identify the employer of the proposed beneficiary of medical assistance. If the proposed beneficiary is unemployed, the applicant for medical assistance shall identify the employer of any adult who is responsible for providing all or some of the proposed beneficiary’s support.

For the purposes of this section, “proposed beneficiary” means any person who files an application for health care benefits or hospital care for the person, or any other individual on whose behalf an application is filed, including children or other dependents of the applicant.

(b) Before October 1 of each year, the department shall submit to the legislature a written annual report identifying all employers identified pursuant to subsection (a) who employ twenty-five or more beneficiaries of medical assistance programs administered by the department. In determining whether the twenty-five-employee threshold is met, the department shall include all beneficiaries employed by the employer and its subsidiaries at all locations within the state. In the event the department requires assistance to ascertain information, such as an employer’s subsidiaries or location, the department shall consult with the department of commerce and consumer affairs. The report shall include:

- (1) Each employer’s name and names of subsidiaries, if appropriate, that employ beneficiaries of department medical assistance programs;
- (2) The location of the employer;
- (3) For each department medical assistance program, the total number of the employer’s employees and dependents who are enrolled in the program; and
- (4) The total cost to the State per year of providing medical assistance benefits for the employees and enrolled dependents of each identified employer.

The report shall not include the name of any individual medical assistance program beneficiary and shall be subject to applicable privacy standards established under federal Medicaid regulations and the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996, P.L. 104-191.

(c) The department shall make the annual report available to the public through any means the director deems appropriate.”

SECTION 3. New statutory material is underscored.¹

SECTION 4. This Act shall take effect upon its approval.

(Vetoed by Governor and veto overridden by Legislature on July 12, 2005.)

Note

1. Edited pursuant to HRS §23G-16.5.