

ACT 236

H.B. NO. 1008

A Bill for an Act Relating to Children's Health Care.

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

SECTION 1. Although estimates of the number of uninsured children in the state vary, it is commonly acknowledged that there is a gap group that is ineligible

for any state or federal health care coverage. The majority of children in this gap group are those whose family income is at or just over three hundred per cent of the federal poverty level. Others in this group may include infants born to uninsured mothers, immigrants with temporary visas, and undocumented immigrants who have been in Hawaii for less than six months. In Hawaii, the total number of those who fall into the gap group could be as high as three thousand five hundred children.

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

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

Health insurance helps children and youth receive regular health care so they can participate in school and other activities. Often, parents experience hardship when an uninsured child is sick because of the added stress of the child's medical bills.

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

- (1) Providing continuous, quality health care services to uninsured newborn children who are one day, but not more than thirty days of age through the Hawaii infant care program; provided that these children may enroll in the Hawaii children's health care program upon reaching thirty-one days of age;
- (2) Providing health care coverage to certain children who are at least thirty-one days, but less than nineteen years old through a public-private partnership between the department of human services and one or more managed care plans operating in the state under chapter 432, Hawaii Revised Statutes, that offer accident and health or sickness insurance plans;
- (3) Providing access to medical care free-of-charge for certain children less than nineteen years of age whose family income is at or below three hundred per cent of the federal poverty level;
- (4) Providing medical assistance under QUEST-Net at no charge to children less than nineteen years of age whose family income is above two hundred fifty per cent and does not exceed three hundred per cent of the federal poverty level for Hawaii and who are otherwise eligible for QUEST-Net benefits; and
- (5) Appropriating funds for the purposes of this Act.

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

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

(c) Services provided pursuant to subsection (a) shall be limited to those types of services for children covered by QUEST.

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

(e) The department shall report to the legislature no later than twenty days prior to the convening of the 2008 and 2009 regular sessions and annually thereafter. The report shall include:

- (1) The number of children who were provided services through the Hawaii infant health care program;
- (2) A list of health care providers or managed care plans participating in the program;
- (3) The annual cost of the program; and
- (4) Any proposed legislation necessary to improve the program.

SECTION 3. (a) There is established the Hawaii children's health care program as a temporary three-year pilot program to provide health care coverage to uninsured children who live in Hawaii. The department of human services shall provide health care coverage through a public-private partnership, established as a contract to provide health and human services pursuant to chapter 103F, Hawaii Revised Statutes, between the department and one or more managed care plans operating in the state under chapter 432, Hawaii Revised Statutes, that offers accident and health or sickness insurance plans.

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

(c) To qualify, a child shall:

- (1) Be at least thirty-one days to less than nineteen years old;
- (2) Be living in Hawaii;
- (3) Have been uninsured continually for at least six months; provided that infants thirty-one days to six months of age shall have been uninsured continually since birth; and
- (4) Have been ineligible during the six months the child was uninsured for any other state or federal health care coverage and be currently ineligible for any other state or federal health care coverage; provided that:
 - (A) All children enrolled in a managed care plan's children's plan as of the effective date of this Act shall be eligible for enrollment into the Hawaii children's health care program without being subject to the requirement of being uninsured for the precedent six months in subsection (c)(3);
 - (B) Children who are at least thirty-one days but less than nineteen years old who become ineligible for a med-QUEST division health care coverage program due to an increase in family income may enroll in the program upon disenrollment from a med-QUEST division health care coverage program; and
 - (C) Uninsured newborn children who are one day, but not more than thirty days of age who were enrolled in the Hawaii infant health care program shall be eligible for enrollment in the Hawaii children's health care program without being subject to the requirement of being uninsured for the precedent six months in subsection (c)(3).

(d) The department of human services and the managed care plans shall share equally in the cost of the premium for each child enrolled in the program subject to the appropriation of general funds for the program.

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

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

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

(h) The department shall ensure that other private organizations have the opportunity to partner with the State to offer coverage to uninsured children under the program; provided that plan benefits to be provided shall be equal to or better than those offered through the program established by the State and managed care plans under subsection (a).

(i) The department of human services and any participating managed care plan shall report to the legislature no later than twenty days prior to the start of the 2008 and 2009 regular sessions on:

- (1) Any problems experienced with the program involving crowding out eligible participants;
- (2) Instances of people canceling their previous coverage to receive this free coverage;
- (3) The amount of funding used and for what purposes;
- (4) Any other problems encountered in the administration of the program; and
- (5) Any proposed legislation.

SECTION 4. Section 346-59.4, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§346-59.4]]~~ **Medical assistance to other children.** The department shall provide state-funded medical assistance~~[-of up to two hundred per cent of the federal poverty level for Hawaii,-] free of charge~~ to persons less than nineteen years of age whose family income is at or below three hundred per cent of the federal poverty level for Hawaii and who are:

- (1) Legal permanent residents who arrived after August 22, 1996;
- (2) Persons who are permanently residing under color of law; and
- (3) Nonimmigrants from the Trust Territories of the Pacific Islands who are citizens of:
 - (A) The Marshall Islands;
 - (B) The Federated States of Micronesia; or
 - (C) Palau, as defined by the Compact of Free Association Act of 1985, P.L. 99-239, or the Compact of Free Association between the United States and the Government of Palau, P.L. 99-658,

who are otherwise eligible for benefits under the State's medicaid programs, including QUEST and the State's children health insurance program, but are ineligible due to restricted eligibility rules imposed by Title XXI of the Social Security Act, the Personal Responsibility and Work Reconciliation Act of 1996, the Compact of Free Association Act of 1985, P.L. 99-239, the Compact of Free Association between the United States and the Government of Palau, P.L. 99-658, or any other provision of federal law denying medical assistance to nonimmigrants who are citizens of the Marshall Islands, the Federated States of Micronesia, or Palau.”

SECTION 5. The department of human services shall provide medical assistance under QUEST-Net at no charge to children less than nineteen years of age whose family income is above two hundred fifty per cent and does not exceed three

hundred per cent of the federal poverty level for Hawaii and who are otherwise eligible for QUEST-Net benefits.

SECTION 6. It is the legislature's intent to make health care coverage for uninsured children more accessible for qualified individuals and thereby increase the overall health of Hawaii's residents, promote healthy communities, and protect the public health and welfare. It is not the intent of the legislature to discourage employers from offering to pay, or from paying for, dependent coverage for their employees, nor that this Act supplant employer-sponsored dependent coverage plans.

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$150,000 or so much thereof as may be necessary for fiscal year 2007-2008 and the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2008-2009 to provide continuous, quality health care services to uninsured newborn children who are one day, but not more than thirty days of age through the Hawaii infant health care program.

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

SECTION 8. There is appropriated out of the general revenues of the State of Hawaii the sum of \$700,000 or so much thereof as may be necessary for fiscal year 2007-2008 and the sum of \$900,000 or so much thereof as may be necessary for fiscal year 2008-2009 to fund the Hawaii children's health care program pursuant to section 3 of this Act.

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

SECTION 9. There is appropriated out of the general revenues of the State of Hawaii the sum of \$109,000 or so much thereof as may be necessary for fiscal year 2007-2008 and the sum of \$218,000 or so much thereof as may be necessary for fiscal year 2008-2009 to provide health coverage pursuant to chapter¹ 346-59.4, Hawaii Revised Statutes.

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

SECTION 10. There is appropriated out of the general revenues of the State of Hawaii the sum of \$350,000 or so much thereof as may be necessary for fiscal year 2007-2008 and the sum of \$700,000 or so much thereof as may be necessary for fiscal year 2008-2009 to provide medical assistance under QUEST-Net pursuant to section 5 of this Act.

The sums appropriated shall be expended by the department of human services for the purposes of section 5 of this Act.

SECTION 11. There is appropriated out of the general revenues of the State of Hawaii the sum of \$52,000 or so much thereof as may be necessary for fiscal year 2007-2008 and the same sum or so much thereof as may be necessary for fiscal year 2008-2009 for two full-time equivalent permanent (2.00 FTE) eligibility worker I positions, to provide services pursuant to sections 2, 4, and 5 of this Act.

The sums appropriated shall be expended by the department of human services for the purposes of sections 2, 4, and 5 of this Act.

SECTION 12. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000 or so much thereof as may be necessary for fiscal year 2007-2008 to, among other things, purchase computer equipment, office furniture,

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and other office supplies and equipment necessary to implement sections 2, 4, and 5 of this Act.

The sums appropriated shall be expended by the department of human services for the purposes of sections 2, 4, and 5 of this Act.

SECTION 13. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 14. This Act shall take effect upon July 1, 2007; provided that on June 30, 2010, this Act shall be repealed and section 346-59.4, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the effective date of this Act.

(Approved June 30, 2007.)

Note

1. So in original.