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# A BILL FOR AN ACT

RELATING TO THE HAWAII CHILDREN'S HEALTH CARE PROGRAM.

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

1           SECTION 1. Although estimates of the number of uninsured  
2 children in the State vary, it is commonly acknowledged that  
3 there is a gap group that is ineligible for any state or federal  
4 health care coverage. The majority of children in this gap  
5 group are those whose family income is at or just over three  
6 hundred per cent of the federal poverty level. Others in this  
7 group may include infants born to uninsured mothers, immigrants  
8 with temporary visas, and undocumented immigrants who have been  
9 in Hawaii for less than six months. The total number of those  
10 who fall in to the gap group could be as high as three thousand  
11 five hundred children.

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



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

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

13 The purposes of this Act are to establish the Hawaii  
14 children's health care program and the Hawaii infant health care  
15 program as temporary three-year pilot programs to expand and  
16 monitor health care coverage for children in Hawaii by:

- 17 (1) Providing continuous, quality health care services to  
18 uninsured newborn children who are one day, but not  
19 more than thirty days, of age through the Hawaii  
20 infant health care program; provided that these  
21 children may enroll in the Hawaii children's health  
22 care program upon reaching thirty-one days of age;



- 1           (2) Providing health care coverage to certain children  
2           between thirty-one days but younger than nineteen  
3           years of age through a public-private partnership  
4           between the department of human services and one or  
5           more managed care plans operating in the State under  
6           chapter 432, Hawaii Revised Statutes, that offer  
7           accident and health or sickness insurance plans;
- 8           (3) Providing access to medical care free-of-charge for  
9           certain children under nineteen years of age whose  
10          family income is at or below three hundred per cent of  
11          the federal poverty level;
- 12          (4) Providing medical assistance under QUEST-Net at no  
13          charge to children under nineteen years of age whose  
14          family income is above two hundred fifty per cent and  
15          does not exceed three hundred per cent of the federal  
16          poverty level for Hawaii and who are otherwise  
17          eligible for QUEST-Net benefits; and
- 18          (5) Making appropriations for the purposes of this Act.

19          SECTION 2. (a) There is established the Hawaii infant  
20 health care program as a temporary three-year pilot program to  
21 provide continuous, quality health care services up to \$10,000  
22 of health care assistance per eligible child to uninsured



1 newborn children who are one day, but not more than thirty days  
2 of age, subject to the appropriation of general funds for the  
3 program.

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

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

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

18 (e) The department of human services shall report to the  
19 legislature no later than twenty days prior to the convening of  
20 the 2008 and 2009 regular sessions. The annual report shall  
21 include:



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

8 SECTION 3. (a) There is established the Hawaii children's  
9 health care program as a temporary three-year pilot program to  
10 provide health care coverage to uninsured children. The  
11 department of human services shall provide health care coverage  
12 through a public-private partnership, established as a contract  
13 to provide health and human services pursuant to chapter 103F,  
14 Hawaii Revised Statutes, between the department of human  
15 services and one or more managed care plans operating in the  
16 State under chapter 432, Hawaii Revised Statutes, that offer  
17 accident and health or sickness insurance plans.

18 (b) It is not the intention of the legislature by this Act  
19 to discourage employers from offering to pay or from paying for  
20 dependent coverage for their employees, nor to supplant  
21 employer-sponsored dependent coverage plans

22 (c) To qualify, a child shall:



1 (1) Be at least thirty-one days and under nineteen years  
2 of age;

3 (2) Have been uninsured continually for at least six  
4 months; provided that infants between thirty-one days  
5 and six months of age shall have been uninsured  
6 continually since birth; and

7 (3) Have been ineligible during the six months the child  
8 was uninsured for any other state or federal health  
9 care coverage and be currently ineligible for any  
10 other state or federal health care coverage; provided  
11 that:

12 (A) Children enrolled in a managed care plan's  
13 children's plan as of the effective date of this  
14 Act shall be eligible for enrollment into the  
15 Hawaii children's health care program without  
16 being subject to the requirement of being  
17 uninsured for the preceding six months under  
18 paragraph (2);

19 (B) Children at least thirty-one days and under  
20 nineteen years of age who become ineligible for a  
21 Med-QUEST division health care coverage program  
22 due to an increase in family income may enroll in



1 the program upon disenrollment from a Med-QUEST  
2 division health care coverage program; and

3 (C) Uninsured newborn children who were enrolled in  
4 the Hawaii infant health care program shall be  
5 eligible for enrollment in the Hawaii children's  
6 health care program without being subject to the  
7 requirement of being uninsured for the preceding  
8 six months under paragraph (2).

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

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

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

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



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

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

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

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

21 "[~~§~~346-59.4~~]~~ **Medical assistance to other children.**

22 The department shall provide state-funded medical assistance[7





1 ~~of up to two hundred per cent of the federal poverty level for~~  
2 ~~Hawaii,~~] free of charge to persons [less than] under nineteen  
3 years of age whose family income is at or below three hundred  
4 per cent of the federal poverty level for Hawaii and who are:

5 (1) Legal permanent residents who arrived after August 22,  
6 1996;

7 (2) Persons who are permanently residing under color of  
8 law; and

9 (3) Nonimmigrants from the Trust Territories of the  
10 Pacific Islands who are citizens of:

11 (A) The Marshall Islands;

12 (B) The Federated States of Micronesia; or

13 (C) Palau, as defined by the Compact of Free  
14 Association Act of 1985, P.L. 99-239, or the  
15 Compact of Free Association between the United  
16 States and the Government of Palau, P.L. 99-658,

17 who are otherwise eligible for benefits under the State's  
18 medicaid programs, including QUEST and the State's children  
19 health insurance program, but are ineligible due to restricted  
20 eligibility rules imposed by Title XXI of the Social Security  
21 Act, the Personal Responsibility and Work Reconciliation Act of  
22 1996, the Compact of Free Association Act of 1985, P.L. 99-239,



1 the Compact of Free Association between the United States and  
2 the Government of Palau, P.L. 99-658, or any other provision of  
3 federal law denying medical assistance to nonimmigrants who are  
4 citizens of the Marshall Islands, the Federated States of  
5 Micronesia, or Palau."

6 SECTION 5. The department of human services shall provide  
7 medical assistance under QUEST-Net at no charge to children  
8 under nineteen years of age whose family income is above two  
9 hundred fifty per cent and does not exceed three hundred per  
10 cent of the federal poverty level for Hawaii and who are  
11 otherwise eligible for QUEST-Net benefits.

12 SECTION 6. It is the intent of the legislature to enable  
13 the State to make health care coverage for uninsured children  
14 more accessible for qualified individuals and thereby improve  
15 the overall health of Hawaii residents, promote healthy  
16 communities, and protect the public health and welfare. It is  
17 not the intention of the legislature by this Act to discourage  
18 employers from offering to pay or from paying for dependent  
19 coverage for their employees, nor to supplant employer-sponsored  
20 dependent coverage plans.

21 SECTION 7. There is appropriated out of the general  
22 revenues of the State of Hawaii the sum of \$250,000 or so much



1 thereof as may be necessary for fiscal year 2007-2008 and the  
2 sum of \$500,000 or so much thereof as may be necessary for  
3 fiscal year 2008-2009 to fund the Hawaii infant health care  
4 program pursuant to section 2 of this Act.

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

7 SECTION 8. There is appropriated out of the general  
8 revenues of the State of Hawaii the sum of \$535,500 or so much  
9 thereof as may be necessary for fiscal year 2007-2008 and the  
10 sum of \$1,071,000 so much thereof as may be necessary for fiscal  
11 year 2008-2009 to fund the Hawaii children's health care program  
12 pursuant to section 3 of this Act.

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

15 SECTION 9. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$109,310 or so much  
17 thereof as may be necessary for fiscal year 2007-2008 and the  
18 sum of \$218,620 or so much thereof as may be necessary for  
19 fiscal year 2008-2009 to provide health coverage pursuant to  
20 section 346-59.4, Hawaii Revised Statutes, pursuant to section 4  
21 of this Act.



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

3           SECTION 10. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$428,500 or so much  
5 thereof as may be necessary for fiscal year 2007-2008 and the  
6 sum of \$857,000 or so much thereof as may be necessary for  
7 fiscal year 2008-2009 to provide medical services under  
8 QUEST-Net pursuant to section 5 of this Act.

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

11           SECTION 11. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$77,760 or so much  
13 thereof as may be necessary for fiscal year 2007-2008 and the  
14 same sum or so much thereof as may be necessary for fiscal year  
15 2008-2009 for three full-time equivalent permanent (3.00 FTE)  
16 eligibility worker I positions within the department of human  
17 services to provide services pursuant to sections 2 and 4 of  
18 this Act.

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



1 SECTION 12. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$100,000 or so much  
3 thereof as may be necessary for fiscal year 2007-2008 for  
4 purchases of computer equipment, office furniture, and other  
5 office supplies and equipment necessary to implement sections 2  
6 and 4 of this Act.

7 The sum appropriated shall be expended by the department of  
8 human services for the purposes of sections 2 and 4 of this Act.

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

11 SECTION 14. This Act shall take effect on July 1, 2007,  
12 and shall be repealed on June 30, 2010; provided that section  
13 346-59.4, Hawaii Revised Statutes, is reenacted in the form in  
14 which it read on June 30, 2007.



**Report Title:**

Children's Health Care Program; Appropriations

**Description:**

Creates 2 three-year pilot programs to expand health care coverage for children in Hawaii. Appropriates funds. (HD1)

