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# A BILL FOR AN ACT

RELATING TO MEDICAID PRESUMPTIVE ELIGIBILITY.

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

1           SECTION 1. The legislature finds that it is in the State's  
2 best interest to ensure that waitlisted patients receive  
3 appropriate medical care by authorizing the department of human  
4 services to apply medicaid presumptive eligibility to qualified  
5 waitlisted patients. Acting based on presumptive eligibility  
6 means that the department of human services shall make a  
7 preliminary or "presumptive determination" to authorize medical  
8 assistance in the interval between application for assistance  
9 and the final medicaid eligibility determination based on the  
10 likelihood that the applicant will be eligible.

11           On average, there are between two hundred and two hundred  
12 and seventy-five medically-complex patients waitlisted daily for  
13 long-term care in acute care hospital settings across our State.  
14 Waitlisted patients are those who are deemed medically ready for  
15 discharge and are no longer in need of acute care services, but  
16 who cannot be discharged due to various barriers, such as delays  
17 in medicaid eligibility determinations, and therefore must  
18 remain in the higher-cost hospital setting. Discharge



1 timeframes for waitlisted patients range from a few days to over  
2 a year. This creates a poor quality of life for the patient,  
3 presents an often insurmountable dilemma for providers and  
4 patients, and causes serious financial drain for acute care  
5 hospitals with ripple effects felt throughout other health care  
6 service sectors.

7 Regulatory and government mandates create barriers to  
8 transferring waitlisted patients. One such barrier is the delay  
9 in completing medicaid eligibility determinations for waitlisted  
10 patients. Senate Concurrent Resolution No. 198, (2007)  
11 requested the Healthcare Association of Hawaii to conduct a  
12 study of patients in acute care hospitals who are waitlisted for  
13 long-term care, and to propose solutions to the problem. The  
14 following is an excerpt from the resulting final report to the  
15 legislature addressing the critical problem of waitlisted  
16 patients and the regulatory/government barrier of medicaid  
17 eligibility determinations:

18 "[H]awaii State Medicaid eligibility/re-eligibility  
19 determinations:

20 (1) Presumptive eligibility/re-eligibility: The waitlist  
21 task force is very concerned about the amount of time  
22 it takes to complete the medicaid eligibility and re-



1 eligibility process. Staff within hospitals, nursing  
2 facilities, etc. report spending a significant amount  
3 of time assisting families with medicaid applications,  
4 following up with families to ensure their compliance  
5 in submitting the required documentation to support  
6 the application, hand carrying applications to the  
7 medicaid eligibility office, following up with  
8 eligibility workers on the status of applications,  
9 etc. They report that hand-carried applications are  
10 often misplaced, the time clock for eligibility does  
11 not start until the application is located within the  
12 department of human services, family members may be  
13 non-compliant in completing the necessary paperwork  
14 since the patient is being cared for safely and the  
15 facility has no option for discharging the patient,  
16 and the providers believe that they have taken on a  
17 beneficiary services role of assisting consumers that  
18 should be assumed by the department of human services.  
19 The medicaid eligibility and re-eligibility  
20 application process in Hawaii is obsolete and unable  
21 to handle the current volume. It relies on a paper-  
22 driven system that receives a high volume of



1 applications per day. Delays in processing  
2 applications in a timely manner translate to delays in  
3 access to care for medicaid beneficiaries. Acute care  
4 hospitals report that in many cases they have not been  
5 able to transfer patients to long term care because  
6 the delay in making a determination of medicaid  
7 eligibility resulted in too long a delay in placement  
8 in a nursing facility or home and community based  
9 setting. By the time the medicaid eligibility was  
10 approved, the bed in the long term care  
11 facility/setting was taken by someone else. The  
12 direct labor hours involved in following up on the  
13 process negatively impact providers across the  
14 continuum. Many have hired outside contractors to  
15 assist in the application process.

16 (2) Shifting responsibility for consumer assistance in  
17 completing the medicaid application from the provider  
18 of service to the department of human services:  
19 Providers have taken on the role of consumer services  
20 representatives when patients/families need to submit  
21 applications for medicaid eligibility or to reapply  
22 for eligibility. Often, providers end up spending



1 hours to days "tracking down" required documentation  
2 to include with the medicaid application and it has  
3 become labor intensive. Many have hired external  
4 organizations to assist in this process. Delays by  
5 patients/families in completing medicaid applications  
6 result in bad debt and charity care incurred by  
7 providers, and they have no recourse but to hold the  
8 family members accountable and/or discharge the  
9 patient due to non-payment; and

10 (3) Non-compliance by family members/guardians in  
11 completing medicaid eligibility/re-eligibility  
12 applications: In other states, such as Nevada,  
13 legislation has been passed to impose financial  
14 penalties on family members/guardians who did not  
15 actively participate in completing/submitting  
16 documentation for medicaid eligibility/re-eligibility  
17 determinations when fraudulent activity was  
18 suspected."

19 The purpose of this Act is to require the department of  
20 human services to provide presumptive eligibility to medicaid-  
21 or QUEST-eligible waitlisted patients as has been done for  
22 pregnant women and children nationwide.



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

4 **"§346- Presumptive eligibility under medicaid or QUEST**  
5 **for waitlisted patients.** (a) The department shall presume that  
6 a waitlisted patient applying for medicaid or QUEST coverage is  
7 eligible for coverage; provided that the applicant is able to  
8 show proof, within days of submitting an application, of:

- 9 (1) An annual income at or below the maximum level allowed  
10 under federal law or the medicaid section 1115 waiver  
11 approved for Hawaii, as applicable;  
12 (2) Confirmation of waitlisted status as certified by a  
13 health care provider licensed in Hawaii; and  
14 (3) Meeting the level of care requirement for  
15 institutional or home- and community-based long-term  
16 care as determined by a physician licensed in Hawaii.

17 The presumption shall apply immediately upon application. The  
18 patient or guardian shall be notified within working  
19 days of the application of eligibility for continuing coverage  
20 under either medicaid or QUEST.

21 Waitlisted patients who are presumptively covered by  
22 medicaid or QUEST shall be deemed eligible for services and



1 shall be processed for coverage under the State's qualifying  
2 medicaid or QUEST program.

3 (b) If the waitlisted patient is later determined to be  
4 ineligible for medicaid or QUEST after receiving services during  
5 the presumptive eligibility period, the department shall  
6 disenroll the waitlisted patient and notify the provider and the  
7 plan, if applicable, of disenrollment by facsimile transmission  
8 or e-mail. The department shall provide reimbursement to the  
9 provider or the plan for the time during which the waitlisted  
10 patient was enrolled."

11 SECTION 3. The department of human services shall submit a  
12 report to the legislature no later than twenty days prior to the  
13 convening of the 2011 regular session of findings and  
14 recommendations regarding the costs and other issues related to  
15 presumed eligibility.

16 SECTION 4. There is appropriated out of the general  
17 revenues of the State of Hawaii the sum of \$ or so much  
18 thereof as may be necessary for fiscal year 2008-2009 to cover  
19 the cost of any reimbursements made to providers or plans for  
20 services provided during the time waitlisted patients are  
21 enrolled but eventually determined to be ineligible.



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

3           SECTION 5. New statutory material is underscored.

4           SECTION 6. This Act shall take effect on July 1, 2050; and  
5 shall be repealed on June 30, 2053.





**Report Title:**

Medicaid Presumptive Eligibility

**Description:**

Requires the department of human services to provide presumptive eligibility to medicaid or QUEST eligible waitlisted patients.  
(SB3257 SD3)

