

STAND. COM. REP. NO. 2819

Honolulu, Hawaii

FEB 29 2008
RE: S.B. No. 3257
S.D. 3

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 3257, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID PRESUMPTIVE ELIGIBILITY,"

begs leave to report as follows:

The purpose of this measure is to require the Department of Human Services to provide presumptive eligibility to medicaid- or QUEST-eligible waitlisted patients.

Specifically, this measure requires the Department of Human Services to presume that a waitlisted patient applying for medicaid or QUEST coverage is eligible for coverage; provided that the applicant shows proof of a certain income level and confirmation as a waitlisted patient, and meets a certain level of care requirements as determined by a licensed physician. The Department is required to notify the patient or guardian within forty-five days of the application of eligibility for continuing coverage under either medicaid or QUEST.

However, if the presumed eligible waitlisted patient who receives services is later determined to be ineligible, the Department of Human Services must disenroll that patient, notify the provider or plan of the disenrollment, and reimburse the provider or plan for services provided during the period the waitlisted patient was enrolled. Finally, the Department of Human Services is required to report to the Legislature prior to the

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2011 Regular Session regarding the costs and other issues related to presumed eligibility.

Your Committee received testimony in support of this measure from the Hawaii Disability Rights Center, Hawaii Pacific Health, Hawaii Business Roundtable, and Healthcare Association of Hawaii. The Department of Human Services submitted testimony in opposition. The Queens Medical Center offered comments.

Your Committee notes that experience in other states has found that the error rate in eligibility determinations was as low as four to six per cent, which is a reasonable risk that is offset by the improved utilization of more appropriate and less costly care settings in the home and in the community. Accordingly, your Committee believes that an appropriation of \$200,000 would be reasonable and prudent to cover any reimbursements to providers or plans due to enrolling waitlisted patients eventually determined to be ineligible.

Upon further consideration, your Committee has amended this measure by:

- (1) Changing the time of notification from the Department of Human Services to the patient or guardian of eligibility for continuing coverage from forty-five days to an unspecified number of working days;
- (2) Adding a requirement that the applicant show the Department of Human Services the required proof of eligibility within an unspecified number of days after submitting an application;
- (3) Adding an appropriation for an unspecified amount for the Department of Human Services to cover the cost of any reimbursements made to providers or plans for services provided during the time waitlisted patients are enrolled but eventually determined to be ineligible; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B.



No. 3257, S.D. 2, as amended herein, and recommends that it pass
Third Reading in the form attached hereto as S.B. No. 3257,
S.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,




ROSALYN H. BAKER, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB3257, SD2	Committee Referral: HSP/HTH, WAM	Date: 2/27/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani				/
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
INOUYE, Lorraine R.	/			
KIM, Donna Mercado	/			
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred			/	
WHALEN, Paul			/	
TOTAL	9	0	2	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes