
A BILL FOR AN ACT

RELATING TO MEDICAID 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 patients waitlisted for long-term
3 or other types of care receive appropriate medical care by
4 authorizing the department of human services (DHS) to apply
5 medicaid presumptive eligibility to qualified waitlisted
6 patients. Action based on presumptive eligibility means that
7 the department of human services shall make a preliminary or
8 "presumptive" determination to authorize medical assistance in
9 the interval between application for assistance and the final
10 medicaid eligibility determination based on the likelihood that
11 the applicant will be eligible.

12 On average, there are at any given time, two hundred
13 patients in acute care hospital settings across the state who
14 are waitlisted for long-term care. Waitlisted patients are
15 those who are deemed medically ready for discharge and are no
16 longer in need of acute care services, but who cannot be
17 discharged due to various barriers, such as delays in medicaid
18 eligibility determinations which cause the patient to remain in



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

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

20 "Hawaii State Medicaid eligibility/re-eligibility
21 determinations:



1 (a) Presumptive eligibility/re-eligibility: The task
2 force is very concerned about the amount of time it
3 takes to complete the Medicaid eligibility and re-
4 eligibility process. Staff within hospitals, nursing
5 facilities, etc. report spending a significant amount
6 of time assisting families with Medicaid applications,
7 following up with families to ensure their compliance
8 in submitting the required documentation to support
9 the application, hand carrying applications to the
10 Medicaid eligibility office, following up with
11 eligibility workers on the status of applications,
12 etc. They report that hand-carried applications are
13 often misplaced, the time clock for eligibility does
14 not start until the completed application is located
15 within DHS, family members may be non-compliant in
16 completing the necessary paperwork since the patient
17 is being cared for safely and the facility has no
18 option for discharging the patient, and the providers
19 believe that they have taken on a beneficiary services
20 role of assisting consumers that should be assumed by
21 DHS.



1 The Medicaid eligibility and re-eligibility
2 application process in Hawaii is obsolete and unable
3 to handle the current volume. It relies on a paper-
4 driven system that receives a high volume of
5 applications per day. Delays in processing
6 applications in a timely manner translate to delays in
7 access to care for Medicaid beneficiaries. Acute care
8 hospitals report that in many cases they have not been
9 able to transfer patients to long term care because
10 the delay in making a determination of Medicaid
11 eligibility resulted in too long a delay in placement
12 in a nursing facility or home and community based
13 setting. By the time the Medicaid eligibility was
14 approved, the bed in the long-term care
15 facility/setting was taken. The direct labor hours
16 involved in following up on the process negatively
17 impact providers across the continuum. Many have
18 hired outside contractors to assist in the application
19 process.

20 ...

21 (b) Shifting responsibility for consumer assistance in
22 completing the Medicaid application from the provider



1 of service to the State Department of Human Services:
2 Providers have taken on the role of consumer services
3 representatives when patients/families need to submit
4 applications for Medicaid eligibility or to reapply
5 for eligibility. Often, providers end up spending
6 hours to days "tracking down" required documentation
7 to include with the Medicaid application and it has
8 become labor intensive. Many have hired external
9 organizations to assist in this process. Delays by
10 patients/families in completing Medicaid applications
11 result in bad debt and charity care incurred by
12 providers and they have no recourse but to hold the
13 family members accountable and/or discharge the
14 patient due to non-payment.

15 (c) Non-compliance by family members/guardians in
16 completing Medicaid eligibility/re-eligibility
17 applications: In other states (ex. Nevada),
18 legislation has been passed to impose financial
19 penalties on family members/guardians who did not
20 actively participate in completing/submitting
21 documentation for Medicaid eligibility/re-eligibility



1 determinations when fraudulent activity was
2 suspected."

3 This Act begins the process of developing a long-term
4 solution to severe problems associated with processing medicaid
5 applications that include extended applications processing
6 times, misplaced applications, and an inefficient paper-based
7 application process.

8 The purpose of this Act is to require the department of
9 human services to:

- 10 (1) Provide medicaid presumptive eligibility to patients
11 who have been waitlisted for long-term care; and
12 (2) Conduct a study of a computerized medicaid
13 applications system.

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

17 "§346- Presumptive eligibility under medicaid for
18 waitlisted patients. (a) The department shall presume that a
19 waitlisted patient applying for medicaid is eligible for
20 coverage; provided that the applicant is able to show proof of:

- 21 (1) An annual income at or below the maximum level allowed
22 under federal law or under a waiver approved for



1 Hawaii under 42 United States Code Section 1396n, as
2 applicable;

3 (2) Verification of assets, including assets transferred
4 in the past five years;

5 (3) Confirmation of waitlisted status as certified by a
6 health care provider licensed in Hawaii; and

7 (4) Meeting the level of care requirement for
8 institutional or home- and community-based long-term
9 care as determined by a physician licensed in Hawaii.

10 The department shall notify the applicant and the facility of
11 the presumptive eligibility on the date of receipt of the
12 application. The applicant shall submit the remaining documents
13 necessary to qualify for medicaid coverage within ten business
14 days after the applicant's receipt of notification of
15 presumptive eligibility from the department. The department
16 shall establish a process for prescreening medicaid applicants
17 in an expedited timeframe, which shall include conducting a
18 cursory, preliminary inspection of the application to determine
19 if it is complete, and if it is not complete, notifying the
20 applicant regarding what the applicant must submit to complete
21 the application. The department shall notify the applicant of



1 eligibility within five business days of receipt of the
2 completed application for medicaid coverage.

3 Waitlisted patients who are presumptively covered by
4 medicaid shall be eligible for services and shall be processed
5 for coverage under the State's qualifying medicaid program.

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

14 SECTION 3. The department of human services shall submit a
15 report to the legislature no later than twenty days prior to the
16 convening of the regular sessions of 2011 through 2015,
17 inclusive, of its findings and recommendations regarding the
18 costs and other issues related to medicaid presumptive
19 eligibility.

20 SECTION 4. The department of human services shall conduct
21 a study of a computerized system for processing medicaid
22 applications, including consideration of:



- 1 (1) Alternative processing systems, an assessment of each
- 2 alternative, and costs associated with each
- 3 alternative;
- 4 (2) The requirements of Hawaii's medicaid program, the
- 5 ability of each alternative processing system under
- 6 paragraph (1) to meet these requirements, and
- 7 recommendations of the best alternative; and
- 8 (3) Any other information the department deems relevant in
- 9 making recommendations for an alternative processing
- 10 system.

11 The department of human services shall submit a report to

12 the legislature no later than twenty days prior to the convening

13 of the regular session of 2011, of the study and findings and

14 recommendations for an alternative system for processing

15 medicaid applications.

16 SECTION 5. There is appropriated out of the general

17 revenues of the State of Hawaii the sum of \$ or so

18 much thereof as may be necessary for fiscal year 2010-2011 to

19 cover the cost of any reimbursements made to providers or plans

20 for services provided for waitlisted patients who are enrolled

21 for services based on the presumptive eligibility for medicaid

1 established under this Act, but eventually determined to be
2 ineligible for medicaid.

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

5 SECTION 6. New statutory material is underscored.

6 SECTION 7. This Act shall take effect on July 1, 2020.

7



Report Title:

Medicaid; Presumptive Eligibility; Applications; Appropriation

Description:

Requires the Department of Human Services (DHS) to provide presumptive eligibility coverage to patients who have been waitlisted for Medicaid. Requires DHS to submit a report to the Legislature of its findings and recommendations regarding costs and other issues related to Medicaid presumptive eligibility. Requires DHS to conduct a study of a computerized system for processing Medicaid applications and submit a report to the Legislature of its findings and recommendations for an alternative system for processing Medicaid applications. Appropriates funds for reimbursements to providers or plans for services provided for individuals who are granted presumptive eligibility but are later determined to be ineligible. Effective July 1, 2020. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

