
A BILL FOR AN ACT

RELATING TO THE MEDICAID MANAGED CARE PROGRAM.

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

1 SECTION 1. In 1994, Hawaii's medicaid program began using
2 a managed care delivery system called QUEST. QUEST stands for
3 quality care, universal access, efficient utilization,
4 stabilizing costs, and transforming the way health care is
5 provided. QUEST provides medically necessary primary and acute
6 care to families, parent or caretaker relatives, and children.
7 In 2009, the State's medicaid program implemented a second
8 program provided through a managed care delivery system called
9 QUEST Expanded Access (QExA). QExA provides primary and acute
10 care services, as well as long term care services, to
11 individuals who are over sixty-five years of age, or determined
12 to be disabled or legally blind.
13 Effective January 1, 2015, the QUEST and QExA managed care
14 programs were combined and replaced by the QUEST Integration
15 program, also provided through a managed care delivery system.
16 The purpose of this Act is to amend statutes that refer to QUEST



1 and QExA and change the terminology to read "medicaid managed
2 care" or "medicaid managed care program".

3 SECTION 2. Section 346-41.5, Hawaii Revised Statutes, is
4 amended to read as follows:

5 **"§346-41.5 Hawaii qualified health centers.** If the
6 [~~QUEST~~] medicaid managed care program is implemented, the
7 department shall provide a supplemental capitation program for
8 the uninsured with enabling services based on an annual cost-
9 based determination to all Hawaii qualified health centers
10 [~~(HQHCs)~~] and to any nonprofit entity having a majority of
11 Hawaii qualified health centers as board members.

12 For the purposes of this section, "enabling services"
13 includes enabling services as defined by federally qualified
14 health center standards. The department shall have the
15 administrative flexibility to expend funds through [~~QUEST~~]
16 medicaid managed care contracts, through a modified voucher
17 system, or through chapter [~~42D-~~] 42F. Hawaii qualified health
18 centers receiving these supplemental payments shall reconcile
19 their costs on an annual basis."

20 SECTION 3. Section 346-53.64, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



1 "(a) Services eligible for prospective payment system
2 reimbursement are those services that are furnished by a
3 federally qualified health center or rural health clinic that
4 are:

5 (1) Within the legal authority of a federally qualified
6 health center to deliver, as defined in section 1905
7 of the Social Security Act;

8 (2) Actually provided by the federally qualified health
9 center, either directly or under arrangements;

10 (3) Covered benefits under the medicaid program, as
11 defined in section 4231 of the State Medicaid Manual
12 and the Hawaii medicaid state plan;

13 (4) Provided to a recipient eligible for medicaid
14 benefits;

15 (5) Delivered exclusively by health care professionals,
16 including physicians, physician's assistants, nurse
17 practitioners, nurse midwives, clinical social
18 workers, clinical psychologists, and other persons
19 acting within the lawful scope of their license or
20 certificate to provide services;



1 (6) Provided at the federally qualified health center's
 2 practice site, a hospital emergency room, in an
 3 inpatient setting, at the patient's place of
 4 residence, including long term care facilities, or at
 5 another medical facility; and

6 (7) Within the scope of services provided by the State
 7 under its fee-for-service medicaid program and its
 8 [~~health-QUEST~~] medicaid managed care program, on and
 9 after August 1994, and as amended from time to time."

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

12 **"§346-59.4 Medical assistance to other children.** The
 13 department shall provide state-funded medical assistance, of up
 14 to two hundred per cent of the federal poverty level for Hawaii,
 15 to persons less than nineteen years of age who are:

16 (1) Legal permanent residents who arrived after August 22,
 17 1996;

18 (2) Persons who are permanently residing under color of
 19 law; and

20 (3) Nonimmigrants from the Trust Territories of the
 21 Pacific Islands who are citizens of:



1 (A) The Marshall Islands;
2 (B) The Federated States of Micronesia; or
3 (C) Palau,
4 as defined by the Compact of Free Association Act of
5 1985, P.L. 99-239, or the Compact of Free Association
6 between the United States and the Government of Palau,
7 P.L. 99-658,
8 who are otherwise eligible for benefits under the State's
9 medicaid [~~programs, including QUEST~~] program and the State's
10 children health insurance program, but are ineligible due to
11 restricted eligibility rules imposed by title XXI of the Social
12 Security Act, the Personal Responsibility and Work
13 Reconciliation Act of 1996, the Compact of Free Association Act
14 of 1985, P.L. 99-239, the Compact of Free Association between
15 the United States and the Government of Palau, P.L. 99-658, or
16 any other provision of federal law denying medical assistance to
17 nonimmigrants who are citizens of the Marshall Islands, the
18 Federated States of Micronesia, or Palau."

19 SECTION 5. Section 346-59.9, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) This section shall apply only to the [~~QUEST, QUEST~~
2 ~~Expanded Access,~~] medicaid managed care and fee-for-service
3 programs administered by the department when the department or
4 the department's contracted health plan is the primary insurer.
5 When the department is the secondary insurer, the department and
6 its contracted health plans shall be responsible only for the
7 secondary insurer's share of any psychotropic medication covered
8 by the primary insurer."

9 SECTION 6. Section 346-59.9, Hawaii Revised Statutes, is
10 amended by amending subsection (g) to read:

11 "(g) The department and its [~~QUEST~~] medicaid managed care
12 contracted health plans shall have the authority to investigate
13 fraud, abuse, or misconduct."

14 SECTION 7. Section 346-352, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§346-352 Preauthorization exemption for certain**
17 **physicians and physician assistants.** Any physician or physician
18 assistant licensed in this State who treats a medicaid recipient
19 patient suffering from the human immunodeficiency virus,
20 acquired immune deficiency syndrome, or hepatitis C, or who is a
21 patient in need of transplant immunosuppressives, may prescribe



1 any medications approved by the United States Food and Drug
 2 Administration and that are eligible for Omnibus Budget
 3 Reconciliation Rebates Act (OBRA), that are necessary to treat
 4 the condition, without having to comply with the requirements of
 5 any preauthorization procedure established by any other
 6 provision of this chapter. This section shall not apply to
 7 ~~[QUEST]~~ medicaid managed care medical plans."

8 SECTION 8. Section 461-10.5, Hawaii Revised Statutes, is
 9 amended by amending subsection (d) to read as follows:

10 "(d) Remote dispensing pharmacies shall not provide
 11 medications to patients with health insurance coverage, except
 12 for:

- 13 (1) Patients covered by ~~[QUEST,]~~ medicaid managed care
 14 programs;
- 15 (2) Patients served at a facility operated by a health
 16 maintenance organization regulated pursuant to chapter
 17 432D; or
- 18 (3) Patients residing on an island without a pharmacy or
 19 in remote areas without an existing pharmacy within a
 20 five mile radius. A remote dispensing pharmacy
 21 established pursuant to this subsection may continue



1 to operate in the same location if a pharmacy is
2 subsequently established on the same island as the
3 remote dispensing pharmacy or in the remote area
4 without an existing pharmacy within a five-mile
5 radius; provided that the remote dispensing pharmacy
6 shall no longer be authorized to dispense controlled
7 substances."

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

10 SECTION 10. This Act shall take effect upon its approval.



Report Title:

Medicaid Managed Care Program

Description:

Amends the QUEST and QUEST Expanded Access references in the Hawaii Revised Statutes to remove language that refers to specific programs and replace it with "medicaid managed care". Authorizes all medicaid managed care health plans to subject prescription drugs for conditions covered in section 346-352, Hawaii Revised Statutes, to prior authorization procedures.
(SD1)

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

