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# A BILL FOR AN ACT

RELATING TO MEDICAID.

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

1           SECTION 1. On March 13, 2006, the department of human  
2 services issued a request for proposals regarding the QUEST  
3 program. A provision in the request for proposals required all  
4 one hundred sixty-five thousand current QUEST beneficiaries to  
5 re-select a QUEST plan and a primary care provider. The  
6 department of human services referred to this process as  
7 "positive enrollment."

8           All current QUEST beneficiaries have already selected and  
9 been assigned to a QUEST health plan and have selected a primary  
10 care physician. Requiring this vulnerable population to comply  
11 with the positive enrollment requirements may cause confusion,  
12 delay in needed health care procedures, disrupt case management,  
13 or result in the loss of contact between patients and their  
14 current primary care providers. Further, positive enrollment  
15 may result in an indeterminate spectrum of adverse outcomes,  
16 including additional costs and administrative burdens on QUEST  
17 providers as well as on the department of human services.



1 This Act, which allows the department of human services to  
2 provide for positive enrollment for an initial enrollment period  
3 of sixty days will create a situation whereby all QUEST health  
4 plans who bid on the request for proposals, including any new  
5 plans that enter the marketplace, will be on an equal footing in  
6 terms of being able to market to all QUEST enrollees to  
7 stimulate and achieve competition as advocated by the department  
8 of human services. However, to minimize any possible disruption  
9 of service, this Act provides some limitations to the positive  
10 enrollment program. The major limitation is that, of the number  
11 of QUEST beneficiaries that do not enroll in a health plan  
12 during the initial enrollment period and will be auto-assigned  
13 to a plan, the department of human services will auto-assign not  
14 more than five per cent of the total QUEST beneficiaries. The  
15 five per cent amount was chosen because the department of human  
16 services has maintained that only five per cent of the total  
17 QUEST membership do not choose a plan. For example, if there  
18 are one hundred sixty-five thousand QUEST beneficiaries at the  
19 start of the initial enrollment period, a maximum of eight  
20 thousand two hundred fifty beneficiaries can be auto-assigned to  
21 the chosen health plan to receive these beneficiaries, and the  
22 remaining beneficiaries who do not voluntarily enroll in a plan



1 shall remain with the plan in which they were currently  
2 enrolled. The department of human services shall devise a  
3 method to randomly pick the beneficiaries to be auto-assigned.

4 Further, this Act adopts the recommendations of the  
5 department of human services and requires the department of  
6 human services to provide for the following safeguards and  
7 quality control measures to address previously stated concerns  
8 of potential disruption of services by:

- 9 (1) Including in the request for proposals that each  
10 medicaid QUEST recipient will have sixty days to  
11 positively choose a health plan;
- 12 (2) Granting each medicaid QUEST recipient who may be  
13 auto-assigned, an additional ninety days to change the  
14 recipient's health plan for any reason;
- 15 (3) Ensuring that if a person is auto-assigned to a new  
16 plan and that person shows up by mistake for a visit  
17 at the person's previous plan's provider, there will  
18 be no disruption in receiving medical services, even  
19 if that provider is not in the new plan, and also  
20 ensuring that the client will receive treatment at  
21 that time, for which the department of human services  
22 will pay the provider;



- 1 (4) Ensuring that the person will also have the  
2 opportunity during a visit to a provider to  
3 immediately opt out of the auto-assigned health care  
4 plan and switch back into the previous plan or into  
5 another plan; and
- 6 (5) Ensuring that the department of human services will  
7 conduct a public awareness campaign, including the  
8 option to contract with advocacy, outreach, and other  
9 community groups to educate medicaid QUEST recipients  
10 about their new plan options and shall include a  
11 provider directory of fully contracted providers to  
12 assist beneficiaries in their decision-making.

13 SECTION 2. The department of human services, Med-Quest  
14 division, that is responsible for the QUEST program and the  
15 issuance of a request for proposals for health plans to submit  
16 proposals to provide required medical and behavioral health  
17 services to eligible QUEST recipients, shall include the  
18 following basic provisions in the request for proposals that:

- 19 (1) All individuals who are existing members of QUEST  
20 health plans will be required to select a health plan  
21 for the initial enrollment period that shall last for  
22 a period of sixty days; and



1           (2) After the conclusion of the sixty-day period, a  
2           certain number of existing members of QUEST health  
3           plans who have not selected a health plan shall be  
4           assigned by the department of human services to a  
5           health plan according to the auto-assignment algorithm  
6           described in the request for proposal.

7           SECTION 3. In addition to the provisions set forth in  
8           section 2, the department of human services shall also include  
9           the following provisions in the request for proposals to  
10          minimize any possible disruption that may occur to the total  
11          number of QUEST recipients who have not selected a health plan:

12          (1) The department of human services shall not auto-assign  
13          more than the number of recipients that is equivalent  
14          to five per cent of the total existing QUEST  
15          recipients at the start of the initial enrollment  
16          period;

17          (2) The department of human services shall randomly choose  
18          five per cent of the recipients to be assigned in  
19          accordance with this section; and

20          (3) The number of QUEST recipients who have not selected a  
21          health plan and are not auto-assigned as stated above  
22          shall remain with and be assigned back to the health

1 plan they were enrolled in at the start of the initial  
2 enrollment period.

3 SECTION 4. The department of human services shall also  
4 include the following provisions in the request for proposals  
5 that are the safeguards proposed by the department of human  
6 services:

7 (1) A provision to grant each medicaid QUEST recipient who  
8 may be auto-assigned an additional ninety days to  
9 change the recipient's health plan for any reason;

10 (2) A provision to ensure that if a person is auto-  
11 assigned to a new plan and that person shows up by  
12 mistake for a visit at a previous plan's provider,  
13 there will be no disruption in receiving medical  
14 services, even if that provider is not in the new  
15 plan, and also to ensure that the client will receive  
16 treatment at that time, for which the department of  
17 human services will pay the provider;

18 (3) A provision to ensure that the person will also have  
19 the opportunity during a visit to a provider to  
20 immediately opt out of the auto-assigned health care  
21 plan and switch back into the previous plan or into  
22 another plan; and



1           (4) A provision to ensure that the department of human  
2           services will conduct a public awareness campaign to  
3           educate medicaid QUEST recipients about their new plan  
4           options, including a provider directory of fully  
5           contracted providers in each plan to assist  
6           beneficiaries in their decision-making.

7           SECTION 5. This Act shall take effect upon its approval.

HB 2043  
HD 2  
SD 3  
CD1

**Report Title:**

Medicaid; Cost Share Program

**Description:**

Allows the Department of Human Services to provide for positive enrollment in a request for proposal for QUEST plans, with limitations and certain safeguards. (HB2043 CD1)

