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# A BILL FOR AN ACT

RELATING TO THE HAWAII CHILDREN'S HEALTH CARE PROGRAM.

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

1           SECTION 1. Although estimates of the rate of uninsured  
2 children in the State vary, one thing that can be agreed upon is  
3 that there is a gap group that is ineligible for any state or  
4 federal health care coverage. Children who remain uninsured  
5 typically do not receive an appropriate level of medical care.  
6 Children who lack a source of care or must turn regularly to a  
7 hospital emergency department are unlikely to receive preventive  
8 care or early and regular management of acute or chronic health  
9 conditions.

10           A study performed by the Urban Institute, a nonpartisan  
11 economic and social policy research organization, showed that  
12 regardless of age, race, ethnicity, income, or health status,  
13 uninsured children were much less likely to have received a  
14 well-child checkup within the past year and were more likely  
15 than insured children to report an unmet need for medical care  
16 that was associated with concerns about cost.

17           Health insurance helps children and youth receive regular  
18 health care so they can participate in school and other



1 activities. Often, parents experience hardship when an  
2 uninsured child is sick because of the added stress of the  
3 child's medical bills.

4 Local health care coverage providers offer children's plans  
5 that cover certain preventive services, immunizations, doctor  
6 visits, diagnostic tests, emergency care, mental health  
7 benefits, and some prescription drugs.

8 The State has the opportunity to help provide health care  
9 coverage for children in the gap group through partnerships with  
10 mutual benefit societies such as the Hawaii Medical Service  
11 Association. Such partnerships will allow the State to offer  
12 coverage to uninsured children under the existing children's  
13 plans offered by these mutual benefit societies. The cost of  
14 the premium will be split equally between the partner mutual  
15 benefit society and the State.

16 The purpose of this Act is to establish the Hawaii  
17 children's health care program, as a temporary three-year pilot  
18 program to provide health care coverage to uninsured children.

19 **SECTION 2. Hawaii children's health care program; three-**  
20 **year pilot program; establishment.** (a) There is established  
21 the Hawaii children's health care program as a temporary three-  
22 year pilot program to provide health care coverage to uninsured



1 children. The pilot program shall provide health care coverage  
2 through a public-private partnership, established as a purchase  
3 of service pursuant to chapter 103F, Hawaii Revised Statutes,  
4 between the department of human services and a mutual benefit  
5 society operating in the State under chapter 432, Hawaii Revised  
6 Statutes, that offers accident and health or sickness insurance  
7 plans.

8 (b) To qualify for this program, a child shall:

9 (1) Be between thirty-one days to eighteen years old;

10 (2) Have been uninsured continually for at least six  
11 months; provided that infants between thirty-one days  
12 and six months of age shall have been uninsured  
13 continually since birth; and

14 (3) Be ineligible to qualify for any other state or  
15 federal health care coverage; provided that otherwise  
16 qualified individuals between two hundred-fifty and  
17 three hundred per cent of the federal poverty level  
18 may choose to receive coverage through QUEST Net and  
19 pay a prorated premium rate or to receive coverage  
20 through the Hawaii children's health care plan at no  
21 charge.



1 (c) The department of human services and the mutual  
2 benefit society shall share equally in the cost of the premium  
3 for each child enrolled in the pilot program.

4 (d) The department of human services shall pay the State's  
5 share of the premiums under the pilot program on a quarterly  
6 basis.

7 (e) The mutual benefit society participating in the pilot  
8 program shall be responsible for determining eligibility for  
9 children's health care program applicants and for enrollment in  
10 the program.

11 (f) The mutual benefit society participating in the pilot  
12 program shall provide a quarterly report to the department of  
13 human services and the legislature on the number of children  
14 enrolled in the children's health care program.

15 (g) Other private organizations may partner with the State  
16 to offer coverage to uninsured children under the Hawaii  
17 children's health care program; provided that the plan benefits  
18 to be provided shall be equal to or better than those offered by  
19 the pilot program established by the State and a mutual benefit  
20 society under subsection (a).



1 (h) All children currently enrolled in a mutual benefit  
2 society's children's plan shall be eligible for enrollment into  
3 the Hawaii children's health care program.

4 (i) The Hawaii children's health care program shall  
5 terminate on June 30, 2009.

6 SECTION 3. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$ , or so  
8 much thereof as may be necessary for fiscal year 2006-2007, for  
9 the Hawaii children's health care program pursuant to this Act.

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

12 SECTION 4. This Act shall take effect on July 1, 2006, and  
13 shall be repealed on June 30, 2009.

**Report Title:**

Children's Health Care Program

**Description:**

Creates a three-year pilot program in which DHS pays half of the premiums for the health care provided by a mutual benefit society to uninsured children thirty-one days to eighteen years old who are ineligible for other state or federal health care coverage. Appropriates funds. Sunsets June 30, 2009. (SD1)

