

STAND. COM. REP. NO. 224

Honolulu, Hawaii

Feb 9, 2007

RE: H.B. No. 1008
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committees on Health and Human Services & Housing, to which was referred H.B. No. 1008 entitled:

"A BILL FOR AN ACT RELATING TO CHILDREN'S HEALTH CARE,"

beg leave to report as follows:

The purpose of this bill is to ensure health care for all of Hawaii's children by:

- (1) Establishing the Hawaii Children's Health Care Program (Children's Program) as a temporary three-year pilot program to provide health care coverage to uninsured children; and
- (2) Providing access to medical care under QUEST-Net free-of-charge for children whose family income is at or below 300 percent of the federal poverty level for Hawaii.

The Hawaii Medical Service Association, Hawaii Primary Care Association, Hawaii Family Forum, Roman Catholic Church in the State of Hawaii, Hawaii Pacific Health, and several concerned individuals supported this bill. The Department of Human Services (DHS), Family Voices of Hawaii, and a concerned individual supported the intent of this measure. A concerned individual provided comments on this bill.



Your Committees have discussed this bill at length with representatives from the Administration, health care industry, consumer advocates, and the general public. Through this open, public forum, concerns were heard regarding the six-month waiting period placed in this measure to discourage children from being dropped from an existing private health insurance plan to enroll in the Children's Program and effectively crowding out eligible children who were truly in need of this program. Other options such as an annual cap on enrollees were presented to replace the six-month waiting period, but your Committees have decided not to remove this provision. However, it is encouraged that this discussion should continue as this bill progresses through the legislative process.

An additional concern raised while hearing this measure was that public worker unions may attempt to use the Children's Program as an option in their health benefits offerings to save money. A use such as this would go against the intended purposes of this program. Your Committees find that the temporary status of this three-year pilot program may act as a deterrent to such actions as well.

Your Committees have tried to address the concerns raised by the Governor last year when she vetoed a nearly identical bill. One provision that allows children who are currently covered by a managed care plan's Children's Program to be eligible for this pilot program has been left in. We believe the Governor's claims of this causing a "crowd-out" of other needy children are unsubstantiated and that there will be enough room to provide for all of Hawaii's children who need health insurance.

To provide the most comprehensive coverage for Hawaii's Keiki, your Committees have amended this bill by:

- (1) Placing annual caps on enrollment of 10,000 enrollees during fiscal year 2007-2008 and 20,000 enrollees during fiscal years 2008-2010;
- (2) Requiring DHS and any participating managed care plan to report to the Legislature annually no later than 20 days prior to the 2008 and 2009 regular sessions;
- (3) Providing free health care coverage for immigrant children whose family's income is at or below 300 percent of the federal poverty level for Hawaii;



- (4) Creating the Hawaii Infant Care Special Fund (Special Fund) to be administered by DHS to provide up to \$10,000 in health care services to each uninsured infant who is one to 31 days of age;
- (5) Directing DHS to seek out health care providers to participate in a dollar-for-dollar matching funds, public-private partnership to continue providing services to infants once the \$10,000 threshold has been met;
- (6) Appropriating \$500,000 to the Special Fund; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1008, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1008, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services & Housing,



MAILE SHIMABUKURO, Chair



JOSHUA B. GREEN, M.D., Chair



