
A BILL FOR AN ACT

RELATING TO MEDICAID PRESUMPTIVE 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 care or other types of care receive appropriate medical care by
4 authorizing the department of human services to apply medicaid
5 presumptive eligibility to qualified waitlisted patients.
6 Acting based on presumptive eligibility means that the
7 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 between 200 and 275 medically-complex
13 patients waitlisted daily for long-term care in acute-care
14 hospital settings across our state. 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, and therefore must remain in the



1 higher-cost hospital setting. Discharge timeframes for
2 waitlisted patients range from a few days to over a year. This
3 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 Regulatory and government mandates create barriers to
9 transferring waitlisted patients. One such barrier is the delay
10 in completing medicaid eligibility determinations for waitlisted
11 patients. Senate Concurrent Resolution No. 198, adopted by the
12 legislature in 2007, requested the Healthcare Association of
13 Hawaii to conduct a study of patients in acute-care hospitals
14 who are waitlisted for long-term care, and to propose solutions
15 to the problem. The following is an excerpt from the resulting
16 final report to the legislature addressing the critical problem
17 of waitlisted patients and the regulatory/government barrier of
18 medicaid eligibility determinations:

19 "[H]awaii State Medicaid eligibility/re-eligibility
20 determinations:

21 (1) Presumptive eligibility/re-eligibility: The waitlist
22 task force is very concerned about the amount of time



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



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

- 17 (2) Shifting responsibility for consumer assistance in
18 completing the medicaid application from the provider
19 of service to the department of human services:
20 Providers have taken on the role of consumer services
21 representatives when patients/families need to submit
22 applications for medicaid eligibility or to reapply



1 for eligibility. Often, providers end up spending
2 hours to days "tracking down" required documentation
3 to include with the medicaid application and it has
4 become labor intensive. Many have hired external
5 organizations to assist in this process. Delays by
6 patients/families in completing medicaid applications
7 result in bad debt and charity care incurred by
8 providers, and they have no recourse but to hold the
9 family members accountable and/or discharge the
10 patient due to non-payment; and

11 (3) Non-compliance by family members/guardians in
12 completing medicaid eligibility/re-eligibility
13 applications: In other states, such as Nevada,
14 legislation has been passed to impose financial
15 penalties on family members/guardians who did not
16 actively participate in completing/submitting
17 documentation for medicaid eligibility/re-eligibility
18 determinations when fraudulent activity was
19 suspected."

20 The purpose of this Act is to require the department of
21 human services to provide presumptive eligibility to medicaid-



1 or QUEST-eligible waitlisted patients as has been done for
2 pregnant women and children nationwide.

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

6 **"§346- Presumptive eligibility under medicaid or QUEST**
7 **for waitlisted patients.** (a) The department shall presume that
8 a waitlisted patient applying for medicaid or QUEST coverage is
9 eligible for coverage; provided that the applicant is able to
10 show proof of:

11 (1) An annual income at or below the maximum level allowed
12 under federal law or the medicaid section 1115 waiver
13 approved for Hawaii, as applicable;

14 (2) Verification of assets;

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

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

20 The department shall notify the applicant and the facility of
21 the presumptive eligibility on the date of receipt of the
22 application. The applicant shall submit the remaining documents



1 necessary to qualify for medicaid or QUEST coverage within ten
2 business days after the applicant's receipt of notification of
3 presumptive eligibility from the department. The applicant
4 shall be notified by the department of eligibility within five
5 business days of receipt of the completed application for
6 medicaid or QUEST coverage.

7 Waitlisted patients who are presumptively covered by
8 medicaid or QUEST shall be deemed eligible for services and
9 shall be processed for coverage under the State's qualifying
10 medicaid or QUEST program.

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

19 SECTION 3. The department of human services shall submit a
20 report to the legislature no later than twenty days prior to the
21 convening of the regular session of 2011 of findings and



1 recommendations regarding the costs and other issues related to
2 presumptive eligibility.

3 SECTION 4. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$200,000 or so much
5 thereof as may be necessary for fiscal year 2008-2009 to cover
6 the cost of any reimbursements made to providers or plans for
7 services provided during the time waitlisted patients are
8 enrolled but eventually determined to be ineligible.

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

11 SECTION 5. New statutory material is underscored.

12 SECTION 6. This Act shall take effect on July 1, 2050, and
13 shall be repealed on June 30, 2053.



S.B. NO. 3257
S.D. 3
H.D. 2

Report Title:

Medicaid Presumptive Eligibility

Description:

Requires the Department of Human Services to provide presumptive eligibility to Medicaid or QUEST eligible waitlisted patients.
(SB3257 HD2)

SB3257 HD2 HMS 2008-3501

