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# A BILL FOR AN ACT

RELATING TO HEALTH CARE.

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

1           SECTION 1. The purpose of this Act is to make health  
2 insurance available until December 31, 2008, for the children of  
3 those employees who were employed on March 29, 2008, by a Hawaii  
4 interisland air carrier that was in bankruptcy proceedings on  
5 that date. This Act does so by expanding eligibility for the  
6 Hawaii children's health care program.

7           SECTION 2. Act 236, Session Laws of Hawaii 2007, is  
8 amended by amending section 3 to read as follows:

9           "SECTION 3. (a) There is established the Hawaii  
10 children's health care program as a temporary three-year pilot  
11 program to provide health care coverage to uninsured children  
12 who live in Hawaii. The department of human services shall  
13 provide health care coverage through a public-private  
14 partnership, established as a contract to provide health and  
15 human services pursuant to chapter 103F, Hawaii Revised  
16 Statutes, between the department and one or more managed care  
17 plans operating in the state under chapter 432, Hawaii Revised



1 Statutes, that offers accident and health or sickness insurance  
2 plans.

3 (b) It is not the intent of the legislature to discourage  
4 employers from offering to pay, or from paying for, dependent  
5 coverage for their employees, nor that this Act supplant  
6 employer-sponsored dependent coverage plans.

7 (c) To qualify, a child shall:

8 (1) Be at least thirty-one days to less than nineteen  
9 years old;

10 (2) Be living in Hawaii;

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

15 (4) Have been ineligible during the six months the child  
16 was uninsured for any other state or federal health  
17 care coverage and be currently ineligible for any  
18 other state or federal health care coverage; provided  
19 that:

20 (A) All children enrolled in a managed care plan's  
21 children's plan as of the effective date of this  
22 Act shall be eligible for enrollment into the



1 Hawaii children's health care program without  
2 being subject to the requirement of being  
3 uninsured for the precedent six months in  
4 paragraph (c) (3);

5 (B) Children who are at least thirty-one days but  
6 less than nineteen years old who become  
7 ineligible for a med-QUEST division health care  
8 coverage program due to an increase in family  
9 income may enroll in the program upon  
10 disenrollment from a med-QUEST division health  
11 care coverage program; and

12 (C) Uninsured newborn children who are one day, but  
13 not more than thirty days of age who were  
14 enrolled in the Hawaii infant health care program  
15 shall be eligible for enrollment in the Hawaii  
16 children's health care program without being  
17 subject to the requirement of being uninsured for  
18 the precedent six months in subsection (c) (3).

19 (d) In lieu of subsection (c) (3) and (4), a child may also  
20 qualify if the child is uninsured due to the loss of the  
21 parent's or guardian's health insurance; provided that the  
22 child's parent or guardian was employed on March 29, 2008, by a

1 Hawaii interisland air carrier that was in bankruptcy  
2 proceedings on that date. The eligibility requirements of  
3 subsection (c)(1) and (2) shall still apply. Furthermore,  
4 coverage received based upon meeting the eligibility  
5 requirements of this subsection shall continue only until the  
6 earlier of the following:

7 (1) The former employee parent or guardian of the covered  
8 child becomes employed and covered by a prepaid health  
9 care plan; or

10 (2) December 31, 2008.

11 [~~(d)~~] (e) The department of human services and the managed  
12 care plans shall share equally in the cost of the premium for  
13 each child enrolled in the program subject to the appropriation  
14 of general funds for the program.

15 [~~(e)~~] (f) The department of human services shall pay the  
16 State's share of the premiums under the program on a quarterly  
17 basis.

18 [~~(f)~~] (g) The managed care plans participating in the  
19 pilot program shall be responsible for determining the  
20 eligibility of program applicants and of enrolling applicants in  
21 the pilot program.



1           ~~(g)~~ (h) The managed care plans participating in the  
2 program shall provide a quarterly report to the department of  
3 human services and the legislature on the number of children  
4 enrolled in the program.

5           ~~(h)~~ (i) The department shall ensure that other private  
6 organizations have the opportunity to partner with the State to  
7 offer coverage to uninsured children under the program; provided  
8 that plan benefits to be provided shall be equal to or better  
9 than those offered through the program established by the State  
10 and managed care plans under subsection (a).

11           ~~(i)~~ (j) The department of human services and any  
12 participating managed care plan shall report to the legislature  
13 no later than twenty days prior to the start of the 2008 and  
14 2009 regular sessions on:

- 15           (1) Any problems experienced with the program involving  
16                 crowding out eligible participants;
- 17           (2) Instances of people canceling their previous coverage  
18                 to receive this free coverage;
- 19           (3) The amount of funding used and for what purposes;
- 20           (4) Any other problems encountered in the administration  
21                 of the program; and
- 22           (5) Any proposed legislation."



1 SECTION 3. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval;  
4 provided that this Act shall be repealed December 31, 2008.



S.B. NO. 69  
S.D. 2  
H.D. 3  
Proposed

**Report Title:**

Health Care Coverage Assistance

**Description:**

Temporarily expands eligibility for the Hawaii children's health care program to assist children of workers employed on March 29, 2008, by a Hawaii interisland air carrier that was in bankruptcy proceedings on that date. (SB69 HD3)

