

JAN 24 2007

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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 number 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.



1 Health insurance helps children and youth receive regular  
2 health care so they can participate in school and other  
3 activities. Often, parents experience hardship when an  
4 uninsured child is sick because of the added stress of the  
5 child's medical bills.

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

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

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

21 **SECTION 2. Hawaii children's health care program; three-**  
22 **year pilot program; establishment.** (a) There is established



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

- 10 (b) To qualify for this pilot program, a child shall:
- 11 (1) Be between thirty-one days to eighteen years old;
- 12 (2) Have been uninsured continually for at least six  
13 months; provided that infants between thirty-one days  
14 and six months of age shall have been uninsured  
15 continually since birth; and
- 16 (3) Be ineligible to qualify for any other state or  
17 federal health care coverage; provided that  
18 individuals between two hundred fifty and three  
19 hundred per cent of the federal poverty level who  
20 would otherwise be qualified for QUEST-net coverage  
21 may choose to receive coverage through QUEST-net and  
22 pay a prorated premium rate or to receive coverage



1 through the Hawaii children's health care program at  
2 no charge.

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

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

9 (e) The mutual benefit society participating in the pilot  
10 program shall be responsible for determining the eligibility of  
11 the Hawaii children's health care program applicants and of  
12 enrolling applicants in the program.

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

17 (g) Other private organizations may partner with the State  
18 to offer coverage to uninsured children under the Hawaii  
19 children's health care program; provided that plan benefits to  
20 be provided shall be equal to or better than those offered  
21 through the pilot program established by the State and a mutual  
22 benefit 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, 2010.

6 SECTION 3. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$600,000, or so much  
8 thereof as may be necessary for fiscal year 2007-2008, and the  
9 same sum, or so much thereof as may be necessary for fiscal year  
10 2008-2009, for the Hawaii children's health care program  
11 established by this Act.

12 The sums appropriated shall be expended by the department  
13 of human services for the purposes of this Act.

14 SECTION 4. This Act shall take effect on July 1, 2007, and  
15 shall be repealed on June 30, 2010.

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**Report Title:**

Children's Health Care Program; Appropriation

**Description:**

Creates a three-year pilot program in which the department of human services 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, 2010.

