

PROPOSED

THE SENATE
TWENTY-FOURTH LEGISLATURE, 2008
STATE OF HAWAII

S.B. NO. 3257
S.D. 1

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 waitlisted patients receive
3 appropriate medical care by authorizing the department of human
4 services to apply medicaid presumptive eligibility to qualified
5 waitlisted patients. Presumptive eligibility means that the
6 department of human services shall make a preliminary or
7 "presumptive determination" to authorize medical assistance in
8 the interval between application and the final medicaid
9 eligibility determination based on the likelihood that the
10 applicant will be eligible.

11 On average, there are two hundred and as many as two
12 hundred seventy-five, medically-complex patients waitlisted
13 daily for long term care in acute care hospital settings across
14 our State. Waitlisted patients are those who are deemed
15 medically ready for discharge and no longer in need of acute
16 care services, but who cannot be discharged due to various
17 barriers, and therefore must remain in the higher cost hospital
18 setting. Discharge timeframes for waitlisted patients range



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1 from days to over a year. This creates a poor quality of life
2 for the patient, presents an often insurmountable dilemma for
3 providers and patients, and engenders a serious financial drain
4 on acute care hospitals with ripple effects felt throughout
5 other health care service sectors.

6 Regulatory and government mandates create barriers to
7 transferring waitlisted patients. One such barrier is the delay
8 in completing medicaid eligibility determinations for waitlisted
9 patients. Senate Concurrent Resolution No. 198, Session Laws of
10 Hawaii 2007, (SCR 198) requested the Healthcare Association of
11 Hawaii to conduct a study of patients in acute care hospitals
12 who are waitlisted for long term care, and to propose solutions
13 to the problem. The following is an excerpt from the SCR 198
14 final report to the legislature addressing the critical problem
15 of waitlisted patients and the regulatory/government barrier of
16 a medicaid eligibility determination:

17 "[H]awaii State Medicaid eligibility/re-eligibility
18 determinations:

19 (1) Presumptive eligibility/re-eligibility: The waitlist
20 task force is very concerned about the amount of time
21 it takes to complete the medicaid eligibility and re-
22 eligibility process. Staff within hospitals, nursing



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



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

- 15 (2) Shifting responsibility for consumer assistance in
16 completing the medicaid application from the provider
17 of service to the department of human services:
18 Providers have taken on the role of consumer services
19 representatives when patients/families need to submit
20 applications for medicaid eligibility or to reapply
21 for eligibility. Often, providers end up spending
22 hours to days "tracking down" required documentation



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

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

18 The purpose of this Act is to require the department of
19 human services to provide presumptive eligibility to medicaid or
20 QUEST eligible waitlisted patients as has been done for pregnant
21 women and children nationwide.



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

4 "§346- Presumptive eligibility under medicaid or QUEST
5 for waitlisted patients. (a) The department shall presume that
6 a waitlisted patient applying for medicaid or QUEST coverage is
7 eligible for coverage; provided that the applicant is able to
8 show proof of:

- 9 (1) An annual income at or below the maximum level allowed
10 under federal law or the medicaid section 1115 waiver
11 approved for Hawaii, as applicable;
12 (2) Confirmation of waitlisted status as certified by a
13 health care provider licensed in Hawaii; and
14 (3) Meeting the level of care requirement for
15 institutional or home and community based long term
16 care as determined by a physician licensed in Hawaii.

17 The presumption shall apply immediately upon application. The
18 patient or guardian shall be notified within forty-five days of
19 the application of eligibility for continuing coverage under
20 either medicaid or QUEST.

21 Waitlisted patients who are presumptively covered by
22 medicaid or QUEST shall be deemed eligible for services and



1 shall be processed for coverage under the State's qualifying
2 medicaid or QUEST program.

3 (b) If the waitlisted patient is later determined to be
4 ineligible for medicaid or QUEST after receiving services during
5 the presumptive eligibility period, the department shall
6 disenroll the waitlisted patient and notify the provider and the
7 plan, if applicable, of disenrollment by facsimile transmission
8 or e-mail. The department shall provide reimbursement to the
9 provider or the plan for the time in which the waitlisted
10 patient was enrolled."

11 SECTION 3. The department of human services shall submit a
12 report no later than twenty days prior to the convening of the
13 2011 regular session of findings and recommendations to the
14 legislature regarding the costs and other issues related to
15 presumed eligibility.

16 SECTION 4. New statutory material is underscored.

17 SECTION 5. This Act shall take effect on July 1, 2008; and
18 shall be repealed on June 30, 2011.



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Report Title:

Medicaid Presumptive Eligibility

Description:

Requires the department of human services to provide presumptive eligibility to medicaid or QUEST eligible waitlisted patients.
(SD1)

