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



1 a year. This creates a poor quality of life for the patient,  
2 presents an often insurmountable dilemma for providers and  
3 patients, and causes serious financial drain for acute care  
4 hospitals with ripple effects felt throughout other health care  
5 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, requested the Healthcare Association of Hawaii to  
11 conduct a study of patients in acute care hospitals who are  
12 waitlisted for long term care, and to propose solutions to the  
13 problem. The following is an excerpt from the resulting final  
14 report to the legislature addressing the critical problem of  
15 waitlisted patients and the regulatory/government barrier of a  
16 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.



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 during 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, 2050; and  
18 shall be repealed on June 30, 2053.



**Report Title:**

Medicaid Presumptive Eligibility

**Description:**

Requires the department of human services to provide presumptive eligibility to medicaid or QUEST eligible waitlisted patients.  
(SD2)

