

Honolulu, Hawaii

March 23, 2007

RE: S.B. No. 1918
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committees on Health and Human Services & Housing, to which was referred S.B. No. 1918, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII CHILDREN'S HEALTH CARE PROGRAM,"

beg leave to report as follows:

The purpose of this measure is to expand health care coverage for children in the State.

Specifically, this measure will provide:

- (1) Continuous, quality health care services to uninsured newborn children between one and thirty-one days of age;
- (2) Health care coverage to certain children between thirty-one days to eighteen years of age through a public-private partnership between the Department of Human Services and a managed care plan;
- (3) Access to free medical care for certain children nineteen years of age or younger whose family income is at or below three hundred per cent of the federal poverty level;
- (4) Medical assistance under QUEST-Net at no charge to children nineteen years or younger whose family income



is at or above two hundred fifty per cent and does not exceed three hundred per cent of the federal poverty level for Hawaii and who are otherwise eligible for QUEST-Net benefits; and

- (5) Funding for the foregoing provisions.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association, the Hawaii Medical Services Association, Hawaii Pacific Health, and the Hawaii Family Forum. The Department of Human Services offered comments.

Upon further consideration, your Committees have amended this measure by:

- (1) Adding background information in section 1;
- (2) Deleting the new section 346- , Hawaii Revised Statutes, that permanently establishes the Hawaii infant care program and by creating a new three-year Hawaii infant health care pilot program;
- (3) Dividing the three-year pilot program into two pilot programs:
 - (A) The Hawaii infant health care program for newborn children who are one day, but not more than thirty days, of age; and
 - (B) The Hawaii children's health care program for certain children who are at least thirty-one days but younger than nineteen years of age;
- (4) Clarifying that it is not the intention of the Legislature to discourage employers from offering to pay or from paying for dependent coverage for their employees or to supplant employer-sponsored dependent coverage plans;
- (5) Requiring the designated contractor, in addition to the Department of Human Services, to directly reimburse providers for services, subject to the general fund appropriations available;



- (6) Substituting "managed care plans" for "mutual benefit society" to clarify that the State may partner with one or more managed care plans;
- (7) Clarifying that children already enrolled in a managed care plan's children's plan are eligible to enroll in the Hawaii children's health care program without being required to be uninsured for the preceding six months;
- (8) Clarifying that the program under QUEST is the "Med-QUEST division health care coverage program";
- (9) Allowing uninsured newborns enrolled in the Hawaii infant health care program to enroll in the Hawaii children's health care program without being required to be uninsured for the preceding six months;
- (10) Deleting the enrollment caps on the Hawaii children's health care program for fiscal years 2007-2008, 2008-2009, and 2009-2010;
- (11) Adding new appropriations for:
 - (A) Health care coverage to certain children under nineteen years of age whose family income is at or below three hundred per cent of the federal poverty level for Hawaii who are otherwise eligible for the State's medicaid programs but are ineligible due to federal rules or various compacts pursuant to section 346-59.4, Hawaii Revised Statutes, of \$109,310 and \$218,620 for fiscal years 2007-2008 and 2008-2009, respectively;
 - (B) Three full-time equivalent permanent eligibility worker I positions within the Department of Human Services to provide services for the Hawaii infant health care program and certain children pursuant to section 346-59.4, Hawaii Revised Statutes, of \$77,760 for each of fiscal years 2007-2008 and 2008-2009; and
 - (C) Purchases of computer equipment, office furniture, and other office supplies and equipment necessary to implement the Hawaii infant health care program and the provision of services to certain children pursuant to section 346-59.4, Hawaii Revised



Statutes, of \$100,000 for fiscal year 2007-2008 only;

- (12) Substituting the unspecified appropriations amounts for:
- (A) The Hawaii infant health care program of \$250,000 and \$500,000 for fiscal years 2007-2008 and 2008-2009, respectively;
 - (B) The Hawaii children's health care program with \$535,500 and \$1,071,000 for fiscal years 2007-2008 and 2008-2009, respectively; and
 - (C) Medical services under QUEST-Net with \$428,500 and \$857,000 for fiscal years 2007-2008 and 2008-2009, respectively;
- (13) Changing the effective date to July 1, 2007 and clarifying that the Act shall be repealed on June 30, 2010; provided that section 4 of the measure amending section 346-59.4, Hawaii Revised Statutes, shall be reenacted in the form that it read on June 30, 2007; and
- (14) Making technical nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1918, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1918, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services & Housing,



MAILE SHIMABUKURO, Chair



JOSHUA B. GREEN, M.D., Chair



