



LATE TESTIMONY

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 12, 2008

MEMORANDUM

TO: Honorable Josh Green, M.D., Chair
House Committee on Health

Honorable Maile S.L. Shimabukuro, Chair
House Committee on Human Services and Housing

FROM: Lillian B. Koller, Director

SUBJECT: **S.B. 3257, S.D. 3 - RELATING TO MEDICAID PRESUMPTIVE
ELIGIBILITY**
Hearing: Wednesday, February 12, 2008 8:00 a.m.
Room 329, State Capitol

PURPOSE: The purpose of this bill is to require the Department of Human Services to provide presumptive eligibility to Medicaid or QUEST eligible waitlisted patients.

DEPARTMENT'S POSITION: The Department of Human Services strongly opposes this bill's proposed presumptive eligibility. This bill would authorize that a patient transitioning from acute care to long-term care would be presumed eligible for participation in the Medicaid Fee-For-Service (FFS) or the QUEST programs.

This bill would authorize that the Department would reimburse the provider or the QUEST health plan for the charges incurred during the period of presumptive eligibility for those patients presumed eligible. During this period of presumptive eligibility, all-

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State general funds only must be paid to the providers or health plans as Federal funds cannot be accessed until a person is determined Medicaid eligible.

The Department does not support providing reimbursement that does not qualify for Federal financial participation nor is it in the Department's budget to do so. There has been testimony provided that other States have presumptive eligibility and that this option is available through various waivers. The Centers for Medicare & Medicaid Services (CMS) confirmed in a telephone call on February 21, 2008, that there is no Federally funded presumptive eligibility for individuals other than pregnant women, some children and women with breast and cervical cancer. All States that have implemented presumptive eligibility have done so exclusively with their own State funds.

Further, beginning March 1, 2008, presumptive eligibility is not necessary for hospital acute care patients waitlisted for non-hospital based long-term care services because the Department has just implemented a five-day expedited process determining eligibility for Medicaid applications from hospital waitlisted patients. When a completed application is submitted to the Medicaid Eligibility Branch, the process will be completed within five working days. This is just as fast as the Department already expedites applications for pregnant women, foster children, and women with breast or cervical cancer needing expedited eligibility determination.

The Department will be monitoring the five-day expedited eligibility process to ensure timely dispensation from the hospitals into a nursing facility level of care placement, or document other reasons unrelated to Medicaid eligibility for the patients continuing to remain waitlisted in hospitals.

In addition, to ensure the expediting of applications, hospitals with a disproportionate share of uninsured individuals are already receiving Medicaid funds to compensate them for the hiring of an out-stationed eligibility worker who is supposed to

assist those uninsured individuals with their applications. These hospitals include Queen's Medical Center, Hawaii Medical Center-East, Castle Medical Center and Kapiolani Women's & Children's Hospital.

We do not know how many waitlisted individuals are Medicaid applicants and we should not be subsidizing non-Medicaid waitlisted patients. However, based on the data shared by Healthcare Association of Hawaii (HAH), 25% of the waitlisted individuals are receiving Medicaid services, 6% are receiving HMSA services, 55% are covered by Medicare and the remaining 14% are other, probably uninsured. HAH has also shared that, on any given day, there are between 200 to 275 waitlisted individuals. Based on HAH estimates, 55% of the individuals are covered by Medicare and 14% are probably uninsured, so approximately 138 to 190 individuals would potentially qualify for the presumptive eligibility status on any given day.

The cost per person would be at least \$10,000. This is based on an average rate of \$225 per day for 45 days. The cost to the State would be between \$31,050 to \$42,750 per day, or \$11,333,250 to \$15,603,750 per year in all-State funds. Payments made to the providers or health plans during the presumptive period will be with State funds only.

The Department must also emphasize that mandating presumptive eligibility for waitlisted individuals will not address the problem of transferring waitlisted individuals who are not Medicaid eligible or who cannot be placed with other facilities because of barriers that are not Medicaid eligibility related.

Thank you for this opportunity to testify.