

LINDA LINGLE
GOVERNOR



LILLIAN B. KOLLER, ESQ.
DIRECTOR

HENRY OLIVA
DEPUTY DIRECTOR

REVISED

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

April 16, 2008

MEMORANDUM

TO: Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Lillian B. Koller, Director

SUBJECT: **S.B. 69, S.D 2, H.D. 2, Proposed H.D. 3 – RELATING TO HEALTH CARE**

Hearing: Wednesday, April 16, 2008, 1:30 PM.
Conference Room 308, State Capitol

PURPOSE: The purpose of this bill is to make health insurance available until December 31, 2008, for the children of those employees who were employed on March 29, 2008 by a Hawaii interisland air carrier that was in bankruptcy proceedings on that date. This bill does so by expanding the eligibility for the Hawaii Children's Health Care Program.

DEPARTMENT'S POSITION: The Department of Human Services supports the intent of the Legislature to provide health insurance to the children of workers employed on March 29, 2008 by Aloha Airlines who lost coverage due to Aloha's closure . We would recommend expanding this coverage further.

First, we would recommend expanding coverage to any children who lost coverage due to any company closure on the same terms and conditions as the proposed coverage for Aloha Airlines employees.

The Department also supports the proposed amendment to Section 3 of Act 236, SLH 2007, by the addition of a new subsection (d) that, in effect, suspends the six-month uninsured waiting period for children to enter the Hawaii Children's Health Care Program as required by subsections (c)(3) and (c)(4) of Act 236. The Department has always been in support of deleting the waiting period in the Hawaii Children's Health Care Program and believes this criteria should be eliminated for all children, now and beyond December 29, 2008.

However, the Department would recommend that the eligibility language in subsection (c)(4), "and be currently ineligible for any other state or federal health care coverage;" not be suspended as proposed in the new subsection (d) amendment. The Department strongly recommends that families first take advantage of our Medicaid programs before applying for the Hawaii Children's Health Care Program because Hawaii's Medicaid programs, the QUEST and Fee-For-Service programs, are available for children up to 300% Federal Poverty Level (FPL) and no asset test. Additionally, the benefits our Medicaid programs provide are far more comprehensive for children. Attachment 1 provides the monthly and annual family incomes for eligibility at 300% FPL for varying household sizes. For example, a family of three with family incomes up to \$60,720 annually would be eligible. For a family of five, the 300% FPL annual income eligibility is \$85,560. Attachment 2 provides a comparison of the Medicaid programs and Keiki Care.

The Department recently participated in the Rapid Response Team meetings on all islands for the former employees of not only Aloha Airlines, but other recent

business closures, to do outreach and provide information on services available to the affected employees and their families. The Department encouraged the affected employees to get their children covered through Hawaii's Medicaid programs. See Attachment 3 for the information provided at these outreach events.

We would recommend that the language of the proposed new subsection (d) be amended to read as follows:

"(d) ~~[In lieu of subsection (c)(3) and (4), a]~~ A child may also qualify, without regard to the six-month waiting period requirement in subsections (c)(3) and (c)(4), if the child is uninsured due to the loss of the parent's or guardian's health insurance; provided that the child's parent or guardian was employed on March 29, 2008, by a Hawaii interisland air carrier that was in bankruptcy proceedings on that date. The eligibility requirements of subsection (c)(1) and (2) shall still apply. Furthermore, coverage received based upon meeting the eligibility requirements of this subsection shall continue only until the earlier of the following:....."

Thank you for the opportunity to comment on this bill.

Income Eligibility for Children in Hawaii's Medicaid Programs, QUEST and Fee-For-Service

Federal Poverty Level: \$996.67 Monthly and \$11,960 Annually

Household Size	Monthly (300%)	Annual (300%)
1	\$ 2,990	\$ 35,880
2	\$ 4,025	\$ 48,300
3	\$ 5,060	\$ 60,720
4	\$ 6,095	\$ 73,140
5	\$ 7,130	\$ 85,560
6	\$ 8,165	\$ 97,980
7	\$ 9,200	\$ 110,400
8	\$ 10,235	\$ 122,820
9	\$ 11,270	\$ 135,240
10	\$ 12,305	\$ 147,660



Hawaii Covering Kids

Advocating Health Insurance for All Keiki and 'Ōpio

Free Health Insurance Programs for Children and Youths

QUEST and Medicaid Fee-for-Service

For more information and an application, please visit www.coveringkids.com or call 211.

Keiki Care

For more information and an application, please call 948-5555 (O'ahu) or 1-800-620-4672 (Neighbor Islands).

Information below compares the QUEST and Medicaid Fee-for-Service programs with Keiki Care.

Eligibility	QUEST and Medicaid Fee-for Service	Keiki Care
Child Currently Insured	Some programs require a child be uninsured the month of application.	Child must have been uninsured continuously for at least 6 months.*
Age Groups	0 to 19 years old	31 days to 19 years old
Citizenship Requirement	Generally must be U. S. Citizen, Lawful Permanent Resident, or from Freely Associated States. Other eligibility groups are listed in "Rights and Responsibilities" section of application.	None
Residency Requirement	Child lives in Hawai'i with the intent to remain indefinitely.	Child lives in Hawai'i.
Who Can Apply for Child	No requirement	Parent or court-appointed guardian must complete, sign, and submit application.
Family Income	Household gross income limit is 300% FPL.	None
Other	None	Child must be ineligible for QUEST or Medicaid Fee-for-Service.

* Exceptions are: (1) if the household's income increases beyond the QUEST and Medicaid Fee-for-Service limit, a child may be enrolled upon disenrollment from a Hawai'i public health insurance program, and (2) newborn uninsured since birth.

Benefit	QUEST and Medicaid Fee-for-Service	Keiki Care
Physician Office Visits	No cost per visit; no maximum	Cost \$7 per visit; maximum 12 per year
Well-Child Care	No cost per visit	No cost; count towards maximum 12 physician visits per year
Routine Physical Examinations (school, employment, travel, etc.)	Covered	Not covered
Diagnostic, Laboratory, Pathology, and X-ray	No cost	No cost when provided during covered physician visit
Mental Health Services: Outpatient	No cost per visit; no maximum	Cost \$7 for each individual or group session; maximum 12 sessions per year
Surgery: Outpatient	No limit	Maximum 3 per year
Immunizations	Routine, mass, and new immunizations covered	Standard childhood immunizations covered
Prescription Drugs	Prescribed medication including over-the-counter prescribed drugs and supplies; no cost	Only generic antibiotics and oral contraceptives; cost \$5 per maximum 30-day supply
Contraceptives	Voluntary family planning including sterilization	Oral contraceptives only
Emergency Room Services	No cost per visit; no geographic limit	Cost \$25 per visit; Hawai'i only
Hospital: Inpatient	No cost per stay; no maximum	Cost \$100 per day; maximum 5 days per year for room and care
Surgery: Inpatient	No limit	Inpatient surgery covered if member hasn't had maximum 5 hospital days during the year
Mental Health Services: Inpatient	No cost per stay; no maximum	Cost \$100 per day; count towards 5 per year maximum hospital days
Maternity Services	No waiting period; comprehensive coverage	12-month waiting period; limited coverage
Vision Examinations	Every 12 months	One per year
Eyeglasses	Every 24 months	Not covered
Dental Care	Diagnostic and preventive services; non-emergency and emergency treatment	Diagnostic and preventive services only; treatment not covered

MEDICAL ASSISTANCE PROGRAMS

Hawaii QUEST:

QUEST is a managed care program for individuals and families who meet the following criteria:

- A Hawaii resident
- Either a US citizen or qualified alien
- Provide a Social Security Number or proof that one has been applied for
- Be under 65 years of age
- Not certified as blind or disabled
- Not living in a public institution
- Not eligible for health insurance from their employer
- Be within allowable income limits
- Be within allowable asset limits
- Full benefit package if eligible

Hawaii QUEST-Ace

QUEST-Ace is a managed care program for single or married adults with or without children

- A Hawaii resident
- Either a US citizen or qualified alien
- Provide a Social Security Number or proof that one has been applied for
- Not living in a public institution
- Not entitled for health insurance through employment
- Be within allowable income limits (up to 200% FPL)
- Be within allowable asset limits (\$2,000 for single, \$3,000.00 for a couple)
- Limited benefit package if eligible

State Children's Health Insurance Program (S-CHIP)

S-CHIP is a Medicaid Expansion program and was implemented to cover uninsured children whose families have income up to 300% of the Federal Poverty Level (FPL). Disabled children are covered through the Medicaid Fee For Service Program.

- A Hawaii resident
- Either a US citizen or qualified alien
- Provide a Social Security Number or proof that one has been applied
- Be under 19 years of age
- Have no medical health insurance
- Have family gross monthly income up to 300% FPL

Notes:

- Assets are not taken into consideration for children under 19 years of age or for pregnant women
- Dental coverage:
Full dental coverage for individuals under 21 years of age
Up to \$500.00 in dental prevention care per year and up to \$1,500.00 in dental restorative dental care per year for individuals 22 and above

LIST OF MED-QUEST CONTACTS FOR EACH ISLAND

West Hawaii

West Hawaii Section

75-5591 Palani Road, Suite 3004

Kailua-Kona, HI 96740

Main phone: (808) 327-4970, FAX: (808) 327-4975

Gabriele Lucas, TA Supervisor, (808) 327-4966

East Hawaii Section

88 Kanoelehua Ave., Room 107

Hilo, HI 96720

Main phone: (808) 933-0339, FAX: (808) 933-0344

Nan Tome, Supervisor, (808) 933-0345

Gail Inoue, Assistant Supervisor, (808) 933-0346

Kauai Section

4473 Pahee Street, Suite A

Lihue, HI 96777

Main phone: (808) 241-3575, FAX: (808) 241-3583

Iris Venzon, Supervisor, (808) 241-3582

Maui Section

210 Imi Kala Street, Suite 101

Wailuku, HI 96793

Main phone: (808) 243-5780, FAX: (808) 243-5788

Gail Omura, Supervisor, (808) 243-5787

Ray Hirano, Assistant Supervisor, (808) 243-5136

Oahu Section

Victoria Napuleua, Oahu Section Administrator, (808) 587-3530

Alan Takahashi, Eligibility Branch Administrator, (808) 587-7291

Alan Takahashi

DHS/MQD/Eligibility Branch Administrator

Phone: 587-7291 Fax: 586-5718



888 Mililani Street, Suite 601
Honolulu, Hawaii 96813-2991

Telephone: 808.543.0000
Facsimile: 808.528.4059

www.hgea.org

The Twenty-Fourth Legislature, State of Hawaii
Hawaii State House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association
April 16, 2008

S.B. 69, S.D. 2, H.D. 2 (Proposed
H.D. 3) – RELATING TO HEALTH
CARE

The Hawaii Government Employees Association supports the purpose and intent of S.B. 69, S.D. 2, H.D. 2 (Proposed H.D. 3), which temporarily expands the eligibility for the Hawaii Children's Health Care Program to assist the children of workers who were employed by Aloha Airlines. The sudden loss of employment by 1,900 workers, many of whom have dependent children, poses a real hardship on these families. It is a necessary and appropriate response to make sure these children receive health insurance coverage during this difficult period.

Thank you for the opportunity to present testimony in support of S.B. 69, S.D. 2, H.D. 2 (Proposed H.D. 3).

Respectfully submitted,

Nora A. Nomura
Deputy Executive Director

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

April 16, 2008

The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair
House Committee on Finance

Re: SB 69 SD2 HD2 Proposed HD3 – Relating to Health Care

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in strong support of SB 69 SD2 HD2 Proposed HD3 which would temporarily expand *HMSA's Keiki Care Plan* eligibility requirements to make the children of former Aloha Airline employees eligible for health care coverage under this program.

As you are aware, during the 2007 legislative session, HMSA in conjunction with the Hawaii State Legislature, partnered to pass landmark legislation to provide health care coverage to all uninsured keiki in the state. This month, *HMSA's Keiki Care Plan* began providing medical care for children age 31 days through 18 years with no monthly premiums charged to the family. HMSA and the state are sharing the cost of dues for all eligible children.

Under the current eligibility requirements of *HMSA's Keiki Care Plan*, children of Aloha Airline employees would not qualify to receive coverage. Given the large number of residents who are drastically affected by the sudden and unexpected closing of Aloha Airlines we believe that the expansion of the *Keiki Care Plan* eligibility requirements to allow these dependants to qualify for the program would offer some relief for these families. We strongly support the proposal to allow HMSA to assist those affected by Aloha Airlines closure during this uncertain time.

Thank you for the opportunity to testify in strong support of SB 69 SD2 HD2 Proposed HD3.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jennifer Diesman'.

Jennifer Diesman
Assistant Vice President
Government Relations

Date: April 16, 2008

Committee: Finance

Bill Number: SB 69, SD2, HD2

Title: Relating to Health Care

Place: Conference Room 308

Copies: 2

To whom it may concern,

My name is Kalea Jordan and I am an Undergraduate Bachelor's of Social Work student at University of Hawaii at Manoa. I support this bill because the hundreds of families that was affected by the inter-island air carrier now must worry about their children's health care coverage. Not only do these families have to look for another job, but the cost of health care today is alarming expensive. Theses hundreds of children shouldn't have health coverage vanish because of poor decision making by the inter-island air carriers. Providing a health care program to assist the children of employees that lost their jobs, will give many families children the health coverage they deserve. Mahalo for your time.

Contact Information:

E-mail: flower_fairys56@yahoo.com

Kalea Jordan

Kalea Jordan
Undergraduate BSW Student

FINTestimony

From: Marissa Buendicho [buendich@hawaii.edu]
sent: Tuesday, April 15, 2008 11:56 PM
To: FINTestimony
Cc: rstotzer@hawaii.edu
Subject: SB69, SD2, HD2 April 16, 2008 Agenda #1

Committee of Finance
SB69, SD2, HD2
April 16, 2008
Agenda #1

Aloha,

My name is Marissa Buendicho and I am a student in the School of Social Work Program at the University of Hawaii. I strongly support Bill No. SB69 because I believe that it is the government's responsibility to provide the children of Hawaii with basic needs, especially in a time of crisis.

With the Hawaii interisland air carrier bankruptcy occurring unexpectedly, the employees were left with virtually no time to make plans to sustain their financial stability. Now, thousands of families are left to struggle with the task of providing the most basic needs to their families.

Having grown up in Kalihi, a low income neighborhood, I have seen the impact of a parent losing their job. Some of my closest friends were devastated by the fact their parents would have to choose between having food on the table and seeing a doctor. Not only did it take a physical toll on my friends, but it also affected their their psychological development and hindered their ability to concentrate in school.

If a child's most basic needs cannot be met, then it becomes extremely difficult for them to grow into well-adjusted, functioning members of society. Please vote for this bill to ensure the well being of Hawaii's future leaders.

If you have any questions, please feel free to contact me at buendich@hawaii.edu. I will also be testifying in person tomorrow, so you may also make any further inquiries at the hearing.

Mahalo,

Marissa Buendicho
School of Social Work Student,
University of Hawaii
buendich@hawaii.edu