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## A BILL FOR AN ACT

RELATING TO HEALTH CARE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the department of  
2 human services has instituted a positive enrollment policy  
3 whereby a QUEST recipient must reenroll in the recipient's  
4 health plan within ten days. If the recipient fails to do so,  
5 the department of human services automatically assigns the  
6 individual to a health plan, which may or may not be the  
7 recipient's existing plan.

8           The legislature further finds that these positive  
9 enrollment requirements cause confusion, delay in needed health  
10 care procedures, disrupt case management, and result in the loss  
11 of contact between QUEST recipients and their current primary  
12 care providers. Further, positive enrollment incurs additional  
13 costs and imposes additional administrative burdens on QUEST  
14 providers and the department of human services.

15           The department of human services advocates the policy of  
16 positive enrollment as a means of increasing competition among  
17 service providers, lowering the cost of healthcare overall,



1 allowing for new plans to enter into the market, and expanding  
2 the scope of services provided to QUEST recipients. The  
3 legislature finds that it is important to strike a balance  
4 between the benefits of positive enrollment and the potential  
5 adverse consequences of the policy by allowing the department of  
6 human services to implement the policy with limitations.

7 The purpose of this Act is to place limitations on the  
8 department of human services positive enrollment policy to  
9 minimize disruption of health care services and confusion among  
10 QUEST recipients.

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

14 "§346- Medicaid managed care; request for proposal  
15 requirements. (a) A request for proposal issued by the  
16 department for health plans to provide health care services to  
17 eligible QUEST recipients shall include the following  
18 provisions:

19 (1) All individuals who are existing members of QUEST  
20 health plans shall be required to select a health plan  
21 during an initial enrollment period that shall last  
22 for a period of sixty days;



1        (2) In the event that QUEST recipients do not enroll  
2        within the sixty-day period, the department shall:  
3        (A) Assign a number of randomly selected QUEST  
4        recipients who have not enrolled that is  
5        equivalent to no more than five per cent of the  
6        total number of QUEST recipients to a health plan  
7        according to an automatic assignment algorithm  
8        created by the department and described in the  
9        request for proposal, provided;  
10       (i) A QUEST recipient who is automatically  
11       assigned may have an additional ninety days  
12       after the automatic assignment to select a  
13       different health plan for any reason;  
14       (ii) If the automatically-assigned QUEST  
15       recipient mistakenly goes to a previous  
16       plan's provider for an appointment, there  
17       shall be no disruption in receipt of  
18       service, whether or not that provider is  
19       included in the new plan, and the QUEST  
20       recipient shall receive treatment at that  
21       time and the department shall reimburse the  
22       provider; and



1           (iii) An automatically-assigned QUEST recipient  
2           shall have the opportunity to opt out of the  
3           health care plan to which the recipient was  
4           assigned during the recipient's first visit  
5           to a provider under the assigned plan,  
6           regardless of the length of time between the  
7           automatic assignment and the individual's  
8           visit to the provider; and

9           (B) Assign QUEST recipients who have not enrolled and  
10           who were not randomly selected as provided in  
11           subparagraph A, if any, to the health plan in  
12           which they were enrolled at the start of the  
13           initial enrollment period.

14           (b) The department shall conduct a public awareness  
15           campaign to educate medicaid QUEST recipients about their new  
16           plan options, including a provider directory of fully contracted  
17           providers in each plan to assist beneficiaries in their  
18           decision-making.

19           (c) The director of human services shall adopt, amend, or  
20           repeal rules, pursuant to chapter 91, to provide for the request  
21           for proposal requirements included in this section."

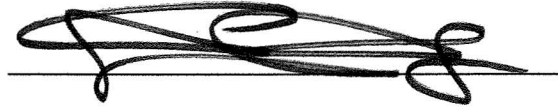
22           SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

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JAN 27 2009



**Report Title:**

Medicaid; QUEST; DHS; Positive Enrollment; Request for Proposals

**Description:**

Requires DHS to include in its request for proposals for QUEST providers various provisions to safeguard against disruption of services that may be caused by positive enrollment.

