
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 in many areas of
2 health care, prevention is more cost effective than treatment.
3 According to Don Wright, Principal Deputy Assistant Secretary
4 for Health, in testimony before the U.S. Senate Committee on
5 Health, Education, Labor and Pension on December 10, 2008,
6 "[l]argely preventable, chronic diseases have replaced
7 infectious diseases as major killers in the United States.
8 Chronic diseases cause 7 out of every 10 deaths each year. We
9 know that 40 percent of deaths are caused by modifiable
10 behaviors, such as poor nutrition, physical inactivity, and
11 tobacco[. . .] The vast majority of health care dollars are
12 spent on direct medical care, despite the fact that clinical
13 care is credited with only 5 of the 30 years that were added to
14 life expectancy during the last century. Chronic disease
15 consumes more than a trillion dollars a year. That's three out
16 of every four dollars we spend on health care compared to
17 approximately five percent of total U.S. health care dollars
18 spent on public health and preventive measures."



1 The legislature further finds that Medicaid is a very large
2 cost driver in the budget of the State and the Department of
3 Human Services. In the FY 2011 Supplemental Operating budget,
4 the Med-Quest Division of the Department of Human Services
5 requests over \$1.385 billion for its continued operations, and
6 that amount represents a decrease of over \$7 million from the
7 previous fiscal year. Clearly, the funds go to needed and
8 desirable services for members of our community. The issue is
9 about leveraging the funds we do have to provide health care
10 that improves the quality of life of those receiving it.

11 Accordingly, the purpose of this Act is to allow the
12 director of the department of human services to seek a waiver
13 from the Center for Medicare and Medicaid Services to create a
14 pilot program that focuses and incentivizes funding towards
15 prevention of chronic diseases, especially those arising from
16 modifiable behaviors.

17 SECTION 2. The pilot project established by this Act shall
18 be known as the "Healthy Choices" program.

19 SECTION 3. The director of the department of human
20 services is authorized to apply for a waiver from the Center for
21 Medicare and Medicaid Services to create a pilot program that
22 focuses funding towards the prevention of chronic diseases. The



1 pilot program shall use incentives that differ from current
2 incentives used by the department, including, but not limited
3 to, a combination of a high-deductible catastrophic health
4 insurance policy and health savings accounts with enough
5 flexibility to be used to purchase preventative services that
6 may currently uncovered by conventional health insurance
7 policies or current benefits offered through the Med-Quest
8 Division, such as tobacco cessation programs, nutritional
9 consulting and healthy diet programs, or dental services, so
10 long as the incentives do not violate federal or state laws.
11 The pilot program shall also primarily address the prevention of
12 chronic diseases arising from modifiable behaviors. The
13 department shall select the participants in the pilot program
14 from those currently receiving services through the Med-Quest
15 Division, and participation in the program shall be voluntary.
16 The amount of funding for the pilot program shall not exceed the
17 amount of funding that would be spent on services for the
18 participants under the current system of benefits available
19 through the Med-Quest Division.

20 SECTION 4. The department shall compile a report on the
21 results of the program over the first three fiscal years of the
22 voluntary program and shall submit the report to the legislature



1 not later than twenty days prior to the convening of the 2015
2 Regular Session. A follow up report shall be submitted to the
3 legislature not later than twenty days prior to the convening of
4 the 2017 Regular Session. The report shall include, but not be
5 limited to, participation rates, benefits consumed, costs of
6 benefits, financial statements, and money saved.

7 SECTION 5. This Act shall take effect on July 1, 2010, and
8 shall be repealed on June 30, 2018.

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INTRODUCED BY: 

JAN 27 2010



Report Title:

Health care

Description:

Authorizes the department of human services to seek a waiver from the Center for Medicare and Medicaid Services to enact a pilot program called "Healthy Choices" to focus on the prevention of chronic diseases.

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