
A BILL FOR AN ACT

RELATING TO TEMPORARY HEALTH INSURANCE FOR UNEMPLOYED PERSONS.

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

1 SECTION 1. A number of Hawaii-based companies have closed
2 or filed for bankruptcy in 2008, resulting in layoffs and
3 furloughs. Employees of large, well-established companies
4 including airlines, cruise lines, agricultural companies, and
5 retailers, as well as small businesses, have been drastically
6 affected by the economic downturn.

7 In December 2008, the state reached a nine-year high
8 unemployment rate of 4.9 per cent. Over 32,000 individuals were
9 unemployed in November 2008, an increase of over 2,000 from the
10 previous month. By comparison, only 18,850 were reportedly
11 unemployed in late 2007.

12 The downturn in nearly every private-sector industry has
13 caused significant numbers of Hawaii residents to be victims of
14 employment furloughs, layoffs, reduced work hours, and
15 terminations. While these individuals may obtain some financial
16 relief through employment insurance benefits, they may not be
17 able to continue their health care insurance coverage.



1 The purpose of this Act is to help unemployed individuals
2 maintain health care coverage by providing a temporary health
3 insurance program.

4 SECTION 2. (a) There is established the temporary health
5 insurance for unemployed persons program within the department
6 of human services to provide temporary health coverage for
7 persons who have become unemployed on or after March 31, 2008.

8 (b) To be eligible to participate in this program, the
9 individual shall:

10 (1) Have lost the person's health insurance as a result of
11 a furlough, a layoff, reduced work hours, or
12 termination of employment on or after March 31, 2008;

13 (2) Not be eligible for any health insurance coverage from
14 another source; and

15 (3) Agree to pay for the costs of the individual's
16 coverage premium.

17 (c) This program shall have a benefit package similar to
18 the basic benefits provided by the department of human services'
19 QUEST-Net program and shall be administered by the department of
20 human services.

21 SECTION 3. (a) If an individual is entitled to continue
22 health insurance coverage pursuant to the Consolidated Omnibus



1 Budget Reconciliation Act (COBRA), the individual may apply for
2 reimbursement of payments made for the purpose of continuing the
3 individual's health insurance medical and prescription drug
4 coverage up to the following monthly amounts:

5 Single: \$125.00

6 Family: \$315.00

7 (b) The total reimbursement an individual may collect
8 under this section shall be for three months of coverage from
9 the effective date of the individual's loss of coverage.

10 (c) An individual is eligible for reimbursement of
11 payments if:

12 (1) The person became unemployed, was furloughed, or
13 suffered a reduction of work hours which has resulted
14 in the loss of the person's employment-related group
15 health insurance which occurred on or after March 31,
16 2008, and is ineligible for any other insurance
17 through the individual's spouse or parents;

18 (2) The person is entitled to continue health insurance
19 coverage pursuant to the Consolidated Omnibus Budget
20 Reconciliation Act (COBRA);

21 (3) The individual is not eligible for any other
22 employment-related group health coverage reimbursement



1 or subsidy aimed to assist the unemployed person in
2 continuing the individual's group health insurance
3 coverage;

4 (4) The individual discloses and certifies in writing the
5 amount paid by the individual for prescription and
6 medical coverage for the three-month period beginning
7 on the effective date of the individual's loss of
8 coverage; and

9 (5) The individual's employer certifies in writing that
10 the individual is not entitled to any other subsidy
11 offered by the employer or the employer's health
12 insurer.

13 SECTION 4. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$1,587,600 or so much
15 thereof as may be necessary for fiscal year 2009-2010 and the
16 sum of \$1,360,800 or so much thereof as may be necessary for
17 fiscal year 2010-2011 to administer the temporary health
18 insurance for unemployed persons program established under this
19 Act.

20 The sums appropriated shall be expended by the department
21 of human services for the purposes of this Act.



1 SECTION 5. There is appropriated out of the general
 2 revenues of the State of Hawaii the sum of \$2,000,000 or so much
 3 thereof as may be necessary for fiscal year 2009-2010 for the
 4 reimbursement of payments for persons entitled to continue
 5 health insurance coverage pursuant to the Consolidated Omnibus
 6 Budget Reconciliation Act (COBRA) made under this Act.

7 The sum appropriated shall be expended by the department of
 8 labor and industrial relations for the purposes of this Act.

9 SECTION 6: This Act shall take effect on July 1, 2009, and
 10 shall be repealed on June 30, 2010.

11

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Report Title:

Temporary Health Insurance for the Unemployed; Appropriations

Description:

Establishes a temporary health insurance program for unemployed individuals. Appropriates funds.

