

JAN 20 2010

A BILL FOR AN ACT

RELATING TO MEDICAID ELIGIBILITY.

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

1 SECTION 1. The legislature finds that it is in the State's
2 best interest to ensure that patients waitlisted for long-term
3 care or other types of care receive appropriate medical care by
4 authorizing the department of human services to apply medicaid
5 presumptive eligibility to qualified waitlisted patients.
6 Action based on presumptive eligibility means that the
7 department of human services shall make a preliminary or
8 "presumptive" determination to authorize medical assistance in
9 the interval between application for assistance and the final
10 medicaid eligibility determination based on the likelihood that
11 the applicant will be eligible.

12 On average, there are at any given time two hundred
13 patients in acute care hospital settings across the State who
14 are waitlisted for long-term care. Waitlisted patients are
15 those who are deemed medically ready for discharge and are no
16 longer in need of acute care services, but who cannot be
17 discharged due to various barriers, such as delays in medicaid



1 eligibility determinations, and therefore must remain in the
2 higher-cost hospital setting. Discharge timeframes for
3 waitlisted patients range from a few days to over one year.
4 This situation creates a poor quality of life for the patient,
5 presents an often insurmountable dilemma for providers and
6 patients, and causes a serious drain on the financial resources
7 of acute care hospitals, with ripple effects felt throughout
8 other health care service sectors.

9 The legislature further finds that regulatory and
10 government mandates create barriers to transferring waitlisted
11 patients. One such barrier is the delay in completing medicaid
12 eligibility determinations for waitlisted patients. Senate
13 Concurrent Resolution No. 198, adopted by the legislature in
14 2007, requested the Healthcare Association of Hawaii to conduct
15 a study of patients in acute care hospitals who are waitlisted
16 for long-term care, and to propose solutions to the problem.
17 The following is an excerpt from the resulting final report to
18 the legislature, addressing the critical problem of waitlisted
19 patients and the regulatory barrier of medicaid eligibility
20 determinations:

21 "Hawaii State Medicaid eligibility/re-eligibility
22 determinations:



1 (a) Presumptive eligibility/re-eligibility: The task
2 force is very concerned about the amount of time it
3 takes to complete the Medicaid eligibility and re-
4 eligibility process. Staff within hospitals, nursing
5 facilities, etc. report spending a significant amount
6 of time assisting families with Medicaid applications,
7 following up with families to ensure their compliance
8 in submitting the required documentation to support
9 the application, hand carrying applications to the
10 Medicaid eligibility office, following up with
11 eligibility workers on the status of applications,
12 etc. They report that hand-carried applications are
13 often misplaced, the time clock for eligibility does
14 not start until the completed application is located
15 within DHS, family members may be non-compliant in
16 completing the necessary paperwork since the patient
17 is being cared for safely and the facility has no
18 option for discharging the patient, and the providers
19 believe that they have taken on a beneficiary services
20 role of assisting consumers that should be assumed by
21 DHS.

22



1 The Medicaid eligibility and re-eligibility
2 application process in Hawaii is obsolete and unable
3 to handle the current volume. It relies on a paper-
4 driven system that receives a high volume of
5 applications per day. Delays in processing
6 applications in a timely manner translates to delays
7 in access to care for Medicaid beneficiaries. Acute
8 care hospitals report that in many cases they have not
9 been able to transfer patients to long term care
10 because the delay in making a determination of
11 Medicaid eligibility resulted in too long a delay in
12 placement in a nursing facility or home and community
13 based setting. By the time the Medicaid eligibility
14 was approved, the bed in the long-term care
15 facility/setting was taken. The direct labor hours
16 involved in following up on the process negatively
17 impact providers across the continuum. Many have
18 hired outside contractors to assist in the application
19 process.

20 (b) Shifting responsibility for consumer assistance in
21 completing the Medicaid application from the provider
22 of service to the State Department of Human Services:



1 Providers have taken on the role of consumer services
2 representatives when patients/families need to submit
3 applications for Medicaid eligibility or to reapply
4 for eligibility. Often, providers end up spending
5 hours to days "tracking down" required documentation
6 to include with the Medicaid application and it has
7 become labor intensive. Many have hired external
8 organizations to assist in this process. Delays by
9 patients/families in completing Medicaid applications
10 result in bad debt and charity care incurred by
11 providers and they have no recourse but to hold the
12 family members accountable and/or discharge the
13 patient due to non-payment.

14 (c) Non-compliance by family members/guardians in
15 completing Medicaid eligibility/re-eligibility
16 applications: In other states (ex. Nevada),
17 legislation has been passed to impose financial
18 penalties on family members/guardians who did not
19 actively participate in completing/submitting
20 documentation for Medicaid eligibility/re-eligibility
21 determinations when fraudulent activity was
22 suspected."



1 This Act begins the process of developing a long-term
 2 solution to severe problems associated with processing medicaid
 3 applications that include extended applications processing
 4 times, misplaced applications, and an inefficient paper-based
 5 application process.

6 The purpose of this Act is to require the department of
 7 human services to:

- 8 (1) Provide medicaid presumptive eligibility to patients
 9 who have been waitlisted for long-term care; and
- 10 (2) Conduct a study of a computerized medicaid
 11 applications system.

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

15 "§346- Presumptive eligibility under medicaid for
 16 waitlisted patients. (a) The department shall presume that a
 17 waitlisted patient applying for medicaid is eligible for
 18 coverage; provided that the applicant is able to show proof of:

- 19 (1) An annual income at or below the maximum level allowed
 20 under federal law or under a waiver approved for
 21 Hawaii under 42 United States Code section 1396n, as
 22 applicable;



- 1 (2) Verification of assets;
- 2 (3) Confirmation of waitlisted status as certified by a
- 3 health care provider licensed in Hawaii; and
- 4 (4) Meeting the level of care requirement for
- 5 institutional or home- and community-based long-term
- 6 care as determined by a physician licensed in Hawaii.

7 The department shall notify the applicant and the facility of
8 the presumptive eligibility on the date of receipt of the
9 application. The applicant shall submit the remaining documents
10 necessary to qualify for medicaid coverage within ten business
11 days after the applicant's receipt of notification of
12 presumptive eligibility from the department. The department
13 shall notify the applicant of eligibility within five business
14 days of receipt of the completed application for medicaid
15 coverage.

16 Waitlisted patients who are presumptively covered by
17 medicaid shall be eligible for services and shall be processed
18 for coverage under the State's qualifying medicaid program.

19 (b) If the waitlisted patient is later determined to be
20 ineligible for medicaid after receiving services during the
21 period of presumptive eligibility, the department shall
22 disenroll the patient and notify the provider and the plan, if



1 applicable, of disenrollment by facsimile transmission or
2 electronic mail. The department shall provide reimbursement to
3 the provider or the plan for the time during which the
4 waitlisted patient was enrolled."

5 SECTION 3. The department of human services shall submit a
6 report to the legislature no later than twenty days prior to the
7 convening of the regular sessions of 2011 through 2015,
8 inclusive, of findings and recommendations regarding the costs
9 and other issues related to medicaid presumptive eligibility.

10 SECTION 4. The department of human services shall conduct
11 a study of a computerized system for processing medicaid
12 applications, including consideration of:

- 13 (1) Different alternatives, an assessment of each
14 alternative, and costs associated with each
15 alternative;
- 16 (2) The requirements of Hawaii's medicaid program, the
17 ability of each alternative to meet these
18 requirements, and recommendations of the best
19 alternative; and
- 20 (3) Any other information the department deems relevant in
21 making recommendations for an alternative processing
22 system.



1 The department of human services shall submit a report to
2 the legislature no later than twenty days prior to the convening
3 of the regular session of 2011, of the study and findings and
4 recommendations for an alternative system for processing
5 medicaid applications.

6 SECTION 5. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$200,000 or so much
8 thereof as may be necessary for fiscal year 2010-2011 to cover
9 the cost of any reimbursements made to providers or plans for
10 services provided during the time waitlisted patients are
11 enrolled for services based on the presumptive eligibility for
12 medicaid established under this Act, but eventually determined
13 to be ineligible for medicaid.

14 The sum appropriated shall be expended by the department of
15 human services for the purposes of this Act.

16 SECTION 6. New statutory material is underscored.

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1 SECTION 7. This Act shall take effect on July 1, 2010.

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Report Title:

Medicaid; Presumptive Eligibility; Applications; Appropriations

Description:

Requires the department of human services to provide medicaid presumptive eligibility to patients who have been waitlisted for long-term care; and conduct a study of a computerized medicaid applications system; requires reports to the legislature.

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