
A BILL FOR AN ACT

RELATING TO HEALTH.

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

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

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2 eligibility application process in Hawaii is obsolete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

20 (b) Shifting responsibility for consumer assistance in
21 completing the [m]edicaid application from the
22 provider of service to the state department of human

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

15 (c) Non-compliance by family members/guardians in
16 completing [m]edicaid eligibility/re-eligibility
17 applications: In other states (e.g. Nevada),
18 legislation has been passed to impose financial
19 penalties on family members/guardians who did not
20 actively participate in completing/submitting
21 documentation for [m]edicaid eligibility/re-

1 eligibility determinations when fraudulent activity
2 was suspected."

3 The purpose of this Act is to require the department of
4 human services to provide medicaid presumptive eligibility to
5 patients who have been waitlisted for long-term care.

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

9 **"§346- Presumptive eligibility under medicaid for**
10 **waitlisted patients.** (a) The department shall presume that a
11 waitlisted patient applying for medicaid is eligible for
12 coverage; provided that the applicant is able to show proof of:
13 (1) An annual income at or below the maximum level allowed
14 under federal law or under a waiver approved for
15 Hawaii under 42 United States Code section 1396n, as
16 applicable;
17 (2) Verification of assets;
18 (3) Confirmation of waitlisted status as certified by a
19 health care provider licensed in Hawaii; and
20 (4) Meeting the level of care requirement for
21 institutional or home- and community-based long-term
22 care as determined by a physician licensed in Hawaii.

1 The department shall notify the applicant and the facility of
2 the presumptive eligibility on the date of receipt of the
3 application. The applicant shall submit the remaining documents
4 necessary to qualify for medicaid coverage within ten business
5 days after the applicant's receipt of notification of
6 presumptive eligibility from the department. The department
7 shall notify the applicant of eligibility within five business
8 days of receipt of the completed application for medicaid
9 coverage.

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

13 (b) If the waitlisted patient is later determined to be
14 ineligible for medicaid after receiving services during the
15 period of presumptive eligibility, the department shall
16 disenroll the patient and notify the provider and the plan, if
17 applicable, of disenrollment by facsimile transmission or
18 electronic mail. The department shall provide reimbursement to
19 the provider or the plan for the time during which the
20 waitlisted patient was enrolled."

21 SECTION 3. The department of human services shall submit a
22 report to the legislature no later than twenty days prior to the

1 convening of the regular sessions of 2011 through 2015,
2 inclusive, of findings and recommendations regarding the costs
3 and other issues related to medicaid presumptive eligibility.

4 SECTION 4. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$200,000 or so much
6 thereof as may be necessary for fiscal year 2010-2011 to cover
7 the cost of any reimbursements made to providers or plans for
8 services provided during the time waitlisted patients are
9 enrolled but eventually determined to be ineligible.

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

12 SECTION 5. New statutory material is underscored.

13 SECTION 6. This Act shall take effect on July 1, 2010, and
14 shall be repealed on July 1, 2015.

Report Title:

Medicaid Presumptive Eligibility; Long-Term Care

Description:

Requires the department of human services to provide presumptive eligibility for medicaid-eligible patients who have been waitlisted for long-term care. (SD1)