

Honolulu, Hawaii

MAR 18 2010

RE: H.B. No. 2091  
H.D. 1  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam:

Your Committee on Human Services, to which was referred H.B. No. 2091, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID ELIGIBILITY,"

begs leave to report as follows:

The purpose of this measure is to address problems related to the delay in Medicaid processing times related to eligibility by:

- (1) Requiring the Department of Human Services (DHS) to provide presumptive eligibility coverage to individuals waitlisted for Medicaid, upon meeting certain conditions;
- (2) Requiring DHS to submit a report to the Legislature every year from the 2011 Regular Session through the 2015 Regular Session, of its findings and recommendations regarding costs and other issues related to Medicaid presumptive eligibility;
- (3) Requiring DHS to conduct a study of a computerized system for processing Medicaid applications and submit a report to the Legislature prior to the 2011 Regular Session, of its findings and recommendations for an alternative system for processing Medicaid applications; and



- (4) Appropriating an unspecified amount for reimbursements to providers or plans for services provided for individuals who are granted presumptive eligibility but are later determined to be ineligible.

Testimony in support of this measure was submitted by the Healthcare Association of Hawaii, The Queen's Medical Center, The Chamber of Commerce of Hawaii, Kaiser Permanente and the Hawaii Disability Rights Center. Testimony in opposition to this measure was submitted by the Department of Human Services. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee understands that on average, there are at least 200 patients in acute care hospital settings statewide who are waitlisted for long-term care. The quality of life and general health of waitlisted patients may be compromised when they are waitlisted for prolonged periods of time. Furthermore, these patients unnecessarily occupy hospital beds that could otherwise be used by persons who need acute care. This not only compromises the ability of acute care hospitals to meet the acute care needs of the community, but it is also a serious financial drain on the hospitals. According to testimony from the Healthcare Association of Hawaii, a 2009 Ernst & Young report showed that Medicaid pays for only 20 to 30 per cent of the actual costs of care for waitlisted patients.

By providing patients waitlisted for long-term care with presumptive eligibility for Medicaid, this measure expedites the movement of patients out of acute care and into appropriate long-term care. Your Committee understands that the risk of error in determining presumptive eligibility for Medicaid is low and this measure contains the requisite safeguards. In this regard, before presumptive eligibility may be granted, a Medicaid applicant must show proof of annual income that meets federal requirements, verify assets, confirm waitlisted status as certified by a health care provider licensed in Hawaii, and meet the level of care requirement for institutional or home- and community-based long-term care as determined by a physician licensed in Hawaii.

Your Committee has amended this measure by:

- (1) Requiring the DHS to establish a process for prescreening Medicaid applicants in an expedited timeframe, which shall include a preliminary review of



the application to determine if it is complete and notification to the applicant regarding what is needed to complete the application;

- (2) Requiring for a determination of presumptive eligibility, that the applicant, among other things, verify the applicant's assets for the previous five years; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2091, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2091, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services,

  
SUZANNE CHUN OAKLAND, Chair



The Senate  
 Twenty-Fifth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Human Services**  
**HMS**

Bill / Resolution No.:* <b>HB 2091 HDI</b>	Committee Referral: <b>HMS, WAM</b>	Date: <b>3-11-10</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
GREEN, M.D., Josh	✓			
HEMMINGS, Fred				✓
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes