

1 Hawaii are "asset poor", meaning those households do not have
2 enough wealth to meet basic needs for a limited period of time.

3 The legislature also finds that a study conducted by the
4 Center for Social Development at Washington University in St.
5 Louis found that students with savings are significantly more
6 likely to pursue a higher education. Additionally, when savings
7 were taken into account, academic achievement was no longer a
8 significant predictor of college attendance.

9 The legislature finds that healthy children and adults are
10 less likely to live in poverty. Poor health practices in a
11 child's developmental stages can lead to an unhealthy lifestyle
12 as an adult, including conditions or habits such as obesity,
13 smoking, alcoholism, and substance abuse. Children with
14 unhealthy practices are less likely to pursue higher education.
15 It is imperative to infuse healthy behavior into the lives of
16 Hawaii's youth to increase the chances of having a healthier
17 Hawaii.

18 The legislature finds that the early periodic screening,
19 diagnosis, and treatment program is a federally mandated set of
20 services and benefits for all individuals under age twenty-one
21 who are enrolled in medicaid. All medically necessary
22 diagnostic and treatment services within the federal definition



1 of medicaid medical assistance must be covered, regardless of
2 whether those services are otherwise covered under a state
3 medicaid plan.

4 The legislature also finds that health screening
5 initiatives under the child's health insurance program are
6 activities that promote public health, promote individual
7 health, improve or promote a state's capacity to deliver public
8 health services, or strengthen the human and material resources
9 necessary to accomplish public health goals. Health screening
10 initiatives must be related to improving the health of children,
11 including targeted and other low-income children. Health
12 screening initiatives under the child's health insurance program
13 are a mechanism for states to get creative and utilize more
14 federal funding. However, no more than ten per cent of a
15 state's administrative costs may fund the child's health
16 insurance program.

17 The purpose of this Act is to establish a universal
18 children's savings account pilot project for medicaid-eligible
19 children who are enrolled in Hawaii's QUEST program.

20

PART II

1 SECTION 2. (a) There is established a universal
2 children's savings account pilot project within the department
3 of human services for administrative purposes.

4 (b) The department shall apply with the United States
5 Centers for Medicare and Medicaid Services to launch a health
6 services initiative under the children's health insurance
7 program. Under this program the department shall:

- 8 (1) Establish a children's savings account for every
9 medicaid-eligible child born between July 1, 2011, to
10 June 30, 2012, up to age five, who is enrolled in the
11 State of Hawaii's QUEST program;
- 12 (2) Add a contribution amount to an eligible child's
13 savings account, following the child's early periodic
14 screening, diagnosis, and treatment program visits;
- 15 (3) Develop and foster public-private partnerships in the
16 community, in order to increase the contribution
17 amount for each eligible child's savings account;
- 18 (4) Promote and educate eligible children and their
19 families on the importance of annual health visits in
20 order to encourage healthier lifestyles and practices;
21 and



1 (5) Promote and educate eligible children and their
2 families on the importance of developing a savings
3 account.

4 (c) Eligible children shall not have access to the funds
5 in the universal children's savings accounts until they reach
6 eighteen years of age.

7 (d) Funds in universal children's savings accounts shall
8 be used only for health-related purposes.

9 (e) The department may hire staff or contract with an
10 outside third party to administer this program.

11 SECTION 3. The department shall submit a report to the
12 legislature no later than twenty days prior to the convening of
13 the 2012 regular session, which shall include:

14 (1) The status of the universal children's savings account
15 pilot project request with the United States Centers
16 for Medicare and Medicaid Services;

17 (2) The number of savings accounts opened for eligible
18 children;

19 (3) The total dollar amount necessary to open a savings
20 account for each eligible child;

21 (4) The budgeted dollar amount for each matching
22 contribution in the year immediately following an



- 1 early periodic screening, diagnosis, and treatment
2 program visit for every eligible child;
- 3 (5) The number of staff hired;
- 4 (6) The name of any third party administrator contracted
5 to administer the pilot project, and the total dollar
6 amount of the contract;
- 7 (7) The number and names of any private sector or non-
8 profit partnerships established to support the pilot
9 project;
- 10 (8) Any obstacles or challenges that were encountered; and
11 (9) Any other relevant information pertinent to the
12 implementation and execution of the pilot project.

13 SECTION 4. This Act shall take effect upon its approval;
14 provided that this Act shall be repealed on December 31, 2030.
15

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Report Title:

Universal Children's Savings Account Pilot Project; QUEST

Description:

Creates a universal children's savings account pilot project under the department of human services, open to medicaid-eligible children enrolled in the QUEST program. Repeals 12/31/30.

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