
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 The legislature also finds that on average, there are at
13 any given time one hundred fifty patients in acute care hospital
14 settings across the State who are waitlisted for long-term care.
15 Waitlisted patients are those who are deemed medically ready for
16 discharge and are no longer in need of acute care services, but
17 who cannot be discharged due to various barriers, such as delays
18 in medicaid eligibility determinations, and therefore must



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

8 The legislature further finds that regulatory and
9 government mandates create barriers to transferring waitlisted
10 patients. One such barrier is the delay in completing medicaid
11 eligibility determinations for waitlisted patients. Senate
12 Concurrent Resolution No. 198, Session Laws of Hawaii 2007,
13 requested the Healthcare Association of Hawaii to conduct a
14 study of patients in acute care hospitals who are waitlisted for
15 long-term care, and to propose solutions to the problem. The
16 following is an excerpt from the resulting 2008 report to the
17 legislature addressing the critical problem of waitlisted
18 patients and the regulatory barrier of medicaid eligibility
19 determinations:

20 "Hawaii State [m]edicaid 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 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



1 should be assumed by the [department of human
2 services].

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4 application process in Hawaii is obsolete and unable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

22 * * *



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

18 (c) Non-compliance by family members/guardians in
19 completing [m]edicaid eligibility/re-eligibility
20 applications: In other states (ex: Nevada),
21 legislation has been passed to impose financial
22 penalties on family members/guardians who did not



1 actively participate in completing/submitting
2 documentation for [m]edicaid eligibility/re-
3 eligibility determinations when fraudulent activity
4 was suspected."

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

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

11 "§346- Medicaid; presumptive eligibility for waitlisted
12 patients. (a) The department shall presume that a waitlisted
13 patient applying for medicaid is eligible for coverage; provided
14 that the applicant is able to demonstrate:

- 15 (1) An annual income at or below the maximum level allowed
16 under federal law or under a waiver approved for
17 Hawaii under title 42 United States Code section
18 1396n, as applicable;
19 (2) Verification of assets;
20 (3) Confirmation of waitlisted status as certified by a
21 health care provider licensed in Hawaii; and



1 (4) Proof of meeting the level of care requirement for
2 institutional or home- and community-based long-term
3 care as determined by a physician licensed in Hawaii.
4 The department shall notify the applicant and the facility of
5 the presumptive eligibility on the date of receipt of the
6 application. The applicant shall submit the remaining documents
7 necessary to qualify for medicaid coverage within ten business
8 days after the applicant's receipt of notification of
9 presumptive eligibility from the department. The department
10 shall notify the applicant of eligibility within five business
11 days of receipt of the completed application for medicaid
12 coverage.

13 Waitlisted patients who are presumed eligible for medicaid
14 coverage shall be eligible for services and shall be processed
15 for coverage under the State's qualifying medicaid program.

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



1 the provider or the plan for the time during which the
2 waitlisted patient was enrolled."

3 SECTION 3. The department of human services shall submit a
4 report to the legislature no later than twenty days prior to the
5 convening of the regular sessions of 2013 through 2017, of
6 findings and recommendations regarding the costs and other
7 issues related to medicaid presumptive eligibility.

8 SECTION 4. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$200,000 or so much
10 thereof as may be necessary for fiscal year 2012-2013 to cover
11 the cost of any reimbursements made to providers or plans for
12 service during the time waitlisted patients are enrolled but
13 eventually determined 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 5. New statutory material is underscored.

17 SECTION 6. This Act shall take effect on July 1, 2012, and
18 shall be repealed on July 1, 2017.



Report Title:

Health; Medicaid Eligibility; Appropriation

Description:

Establishes presumptive medicaid eligibility for waitlisted patients. Appropriates funds for reimbursements for services provided during the time that waitlisted patients are enrolled and later disenrolled due to determination of ineligibility. Takes effect 7/1/2012. Repeals 7/1/2017. (SD1)

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