

JAN 20 2012

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 recent budgetary
2 cuts to the medicaid QUEST health care program will result in
3 more stringent eligibility requirements. Currently, those with
4 incomes below two hundred per cent of the federal poverty level
5 are qualified, but proposed changes due to take effect in April
6 limit qualifying individuals to those with incomes below one
7 hundred thirty-three per cent of the federal poverty level.
8 This change in program eligibility will disenroll approximately
9 four thousand five hundred adults from QUEST and cause them to
10 become uninsured. Although the Patient Protection and
11 Affordable Care Act of 2010 (P.L. 111-148) expands the
12 population that will be eligible for medicaid coverage and
13 private insurance, those provisions do not take effect until
14 2014, leaving many to an uncertain future and causing an
15 increase in the number of uninsured persons in Hawaii's
16 struggling economy.

17 The legislature also finds that any change to the medicaid
18 program will disproportionately affect community health centers



1 because of their patient demographics. Twenty-seven per cent of
2 patients at community health centers, or thirty five thousand
3 consumers, are currently uninsured. In addition, eighty-five
4 per cent of community health center patients have incomes below
5 two hundred per cent of the federal poverty level, and
6 approximately half of the total patients seen by community
7 health centers are current medicaid enrollees. The vast
8 majority of newly uninsured health care consumers who will be
9 cut from the QUEST program will either turn to community health
10 centers for their care or seek out emergency department care,
11 which reports show to be seven times more costly to the State
12 than providing basic coverage. Community health centers are
13 also being increasingly utilized, as seen in the case of
14 Massachusetts; though that State passed landmark legislation in
15 2006 to make health care required and more accessible. Between
16 2005 and 2007, Massachusetts' community health centers saw the
17 total number of patients served increase by fifty thousand
18 individuals.

19 Community health centers serve uninsured, low-income
20 patient populations with demographic complexities and co-
21 morbidities, medicaid members, the homeless, and privately



1 insured individuals and families. Specifically, characteristics
2 of community health centers include the following:

3 (1) Are nonprofit, community-based organizations whose
4 purpose and expertise lie in providing quality,
5 person-centered health care to underserved populations
6 and regions;

7 (2) Provide culturally and linguistically appropriate
8 health care and a broad range of primary care and
9 preventive services;

10 (3) Are located in medically underserved areas where
11 people have limited access to other health care
12 providers because of geographic and socio-economic
13 barriers;

14 (4) Contribute greatly to the economies and livability of
15 the communities they serve; and

16 (5) Are cost-effective providers whose care results in
17 healthier patients and decreased use of emergency,
18 specialty, and in-patient services.

19 With less unnecessary emergency room, in-patient, and
20 specialty utilization, community health centers save the health
21 care system \$1,262 per year per patient. That means that in
22 2009, community health centers in Hawaii saved the State more



1 than \$160 million, which was even more than the \$128 million
2 saved in 2008. Thus, the legislature also finds that community
3 health centers are a smart investment that results in healthier
4 communities while saving the State money.

5 The purpose of this Act is to provide funding for quality,
6 cost-effective health care through community health centers for
7 Hawaii residents who are uninsured.

8 SECTION 2. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$ or so
10 much thereof as may be necessary for fiscal year 2012-2013 to
11 community health centers for the provision of direct health care
12 for the uninsured, which may include primary medical, dental,
13 and behavioral health care; provided that the distribution of
14 funds may be on a "per visit" basis, and may include a per
15 member, per month quality incentive payment, taking into
16 consideration the need on all islands.

17 The sum appropriated shall be expended by the department of
18 health for the purposes of this Act.

19 SECTION 3. This Act shall take effect on July 1, 2012.

20
INTRODUCED BY: Josh M



S.B. NO. 2227

Report Title:

Health Care; Funding for the Uninsured; Community Health Centers; Appropriation

Description:

Appropriates moneys to community health centers for the provision of direct health care for the uninsured, including those who will be disenrolled from the medicaid QUEST program pending eligibility changes in April 2012.

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