
A BILL FOR AN ACT

RELATING TO THE MEDICAID MANAGED CARE PROGRAM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. In 1994, the State of Hawaii medicaid program
2 began using a managed care delivery system called QUEST, which
3 is an acronym for quality care, universal access, efficient
4 utilization, stabilizing costs, and transforming the way health
5 care is provided. QUEST provides medically necessary primary
6 and acute care to families, parent or caretaker relatives, and
7 children. In 2009, the State of Hawaii medicaid program
8 implemented a second program, a managed care delivery system
9 called QUEST Expanded Access (QExA). QExA provides primary and
10 acute care services, as well as long term care services, to
11 individuals who are over sixty-five years of age, or who are
12 determined to be disabled or legally blind.

13 Effective January 1, 2015, the QUEST and QExA managed care
14 programs have been combined and the separate programs have been
15 replaced by the QUEST Integration program, also a managed care
16 delivery system.



1 The purpose of this Act is to amend statutes that refer to
2 QUEST and QExA and change the terminology to read "medicaid
3 managed care" or "medicaid managed care program".

4 SECTION 2. Section 346-53.64, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) Services eligible for prospective payment system
7 reimbursement are those services that are furnished by a
8 federally qualified health center or rural health clinic that
9 are:

- 10 (1) Within the legal authority of a federally qualified
11 health center to deliver, as defined in section 1905
12 of the Social Security Act;
- 13 (2) Actually provided by the federally qualified health
14 center, either directly or under arrangements;
- 15 (3) Covered benefits under the medicaid program, as
16 defined in section 4231 of the State Medicaid Manual
17 and the Hawaii medicaid state plan;
- 18 (4) Provided to a recipient eligible for medicaid
19 benefits;
- 20 (5) Delivered exclusively by health care professionals,
21 including physicians, physician's assistants, nurse



1 practitioners, nurse midwives, clinical social
 2 workers, clinical psychologists, and other persons
 3 acting within the lawful scope of their license or
 4 certificate to provide services;

5 (6) Provided at the federally qualified health center's
 6 practice site, a hospital emergency room, in an
 7 inpatient setting, at the patient's place of
 8 residence, including long term care facilities, or at
 9 another medical facility; and

10 (7) Within the scope of services provided by the State
 11 under its fee-for-service medicaid program and its
 12 [~~health-QUEST~~] medicaid managed care program, on and
 13 after August 1994, and as amended from time to time."

14 SECTION 3. Section 346-59.4, Hawaii Revised Statutes, is
 15 amended to read as follows:

16 "§346-59.4 Medical assistance to other children. The
 17 department shall provide state-funded medical assistance, of up
 18 to two hundred per cent of the federal poverty level for Hawaii,
 19 to persons less than nineteen years of age who are:

20 (1) Legal permanent residents who arrived after August 22,
 21 1996;



1 (2) Persons who are permanently residing under color of
2 law; and

3 (3) Nonimmigrants from the Trust Territories of the
4 Pacific Islands who are citizens of:

5 (A) The Marshall Islands;

6 (B) The Federated States of Micronesia; or

7 (C) Palau, as defined by the Compact of Free
8 Association Act of 1985, P.L. 99-239, or the
9 Compact of Free Association between the United
10 States and the Government of Palau, P.L. 99-658,
11 who are otherwise eligible for benefits under the State's
12 medicaid [~~programs, including QUEST~~] program and the State's
13 children health insurance program, but are ineligible due to
14 restricted eligibility rules imposed by title XXI of the Social
15 Security Act, the Personal Responsibility and Work
16 Reconciliation Act of 1996, the Compact of Free Association Act
17 of 1985, P.L. 99-239, the Compact of Free Association between
18 the United States and the Government of Palau, P.L. 99-658, or
19 any other provision of federal law denying medical assistance to
20 nonimmigrants who are citizens of the Marshall Islands, the
21 Federated States of Micronesia, or Palau."



1 SECTION 4. Section 346-59.9, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (a) to read:

4 "(a) This section shall apply only to the [~~QUEST, QUEST~~
5 ~~Expanded Access,~~] medicaid managed care and fee-for-service
6 programs administered by the department when the department or
7 the department's contracted health plan is the primary insurer.
8 When the department is the secondary insurer, the department and
9 its contracted health plans shall be responsible only for the
10 secondary insurer's share of any psychotropic medication covered
11 by the primary insurer."

12 2. By amending subsection (g) to read:

13 "(g) The department and its [~~QUEST~~] medicaid managed care
14 contracted health plans shall have the authority to investigate
15 fraud, abuse, or misconduct."

16 SECTION 5. Section 346-352, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§346-352 Preauthorization exemption for certain**
19 **physicians and physician assistants.** Any physician or physician
20 assistant licensed in this State who treats a medicaid recipient
21 patient suffering from the human immunodeficiency virus,



1 acquired immune deficiency syndrome, or hepatitis C, or who is a
2 patient in need of transplant immunosuppressives, may prescribe
3 any medications approved by the United States Food and Drug
4 Administration and that are eligible for Omnibus Budget
5 Reconciliation Rebates Act (OBRA), that are necessary to treat
6 the condition, without having to comply with the requirements of
7 any preauthorization procedure established by any other
8 provision of this chapter. This section shall not apply to
9 ~~[QUEST]~~ medicaid managed care medical plans."

10 SECTION 6. Section 461-10.5, Hawaii Revised Statutes, is
11 amended by amending subsection (d) to read as follows:

12 "(d) Remote dispensing pharmacies shall not provide
13 medications to patients with health insurance coverage, except
14 for:

- 15 (1) Patients covered by ~~[QUEST,]~~ medicaid managed care
16 programs;
17 (2) Patients served at a facility operated by a health
18 maintenance organization regulated pursuant to chapter
19 432D; or
20 (3) Patients residing on an island without a pharmacy or
21 in remote areas without an existing pharmacy within a



1 five mile radius. A remote dispensing pharmacy
2 established pursuant to this subsection may continue
3 to operate in the same location if a pharmacy is
4 subsequently established on the same island as the
5 remote dispensing pharmacy or in the remote area
6 without an existing pharmacy within a five mile
7 radius; provided that the remote dispensing pharmacy
8 shall no longer be authorized to dispense controlled
9 substances."

10 SECTION 7. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 8. This Act shall take effect upon its approval.



Report Title:

Medicaid Managed Care Program

Description:

Replaces outdated references to QUEST and QUEST Expanded Access in the Hawaii Revised Statutes with the terms "medicaid managed care" or "medicaid managed care programs." (HB937 HD1)

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