

JAN 29 2015

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# A BILL FOR AN ACT

RELATING TO HEALTH CARE.

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

1           SECTION 1. The legislature finds that due to federal  
2 welfare reform in 1996, certain noncitizens, though lawfully  
3 present in the United States, were made ineligible for medicaid.  
4 This ineligibility standard covers Hawaii residents who are  
5 present in the State under the respective Compacts of Free  
6 Association (COFA) that the United States has with the Federated  
7 States of Micronesia, Republic of the Marshall Islands, and  
8 Republic of Palau.

9           The legislature further finds that one of the principles of  
10 the Affordable Care Act is to increase access to affordable  
11 health care. Lack of access to affordable health care has many  
12 negative effects on both the uncovered individual and society at  
13 large, including overuse of emergency rooms, untreated  
14 illnesses, risk of public health epidemics, and unpaid medical  
15 bills. While it is preferable that the United States government  
16 take action to include COFA and other noncitizens who lawfully  
17 reside in the United States as qualified aliens under the



1 Personal Responsibility and Work Opportunity Reconciliation Act  
2 of 1996, in recognition of their unique historic and ongoing  
3 sacrifices and contributions to the United States, or,  
4 alternatively, fully reimburse the State for its medicaid costs  
5 for this population, this measure seeks to further the  
6 Affordable Care Act's goal of increased health care access.

7 In November 2014, the department of human services  
8 announced that effective March 1, 2015, coverage under Med-  
9 QUEST, the State's medicaid program, will terminate for certain  
10 adult noncitizen residents who are not pregnant, aged, blind, or  
11 disabled. The legislature finds that the department of human  
12 services has already stopped accepting new Med-QUEST  
13 applications from this group, and is requiring that they enroll  
14 in a health plan through the Hawaii health insurance exchange,  
15 known as the Hawaii health connector, in order to obtain  
16 medicaid-like health insurance. This switch from the state plan  
17 to plans through the Hawaii health connector means that the  
18 federal government, and not the State, will primarily cover the  
19 costs of health insurance, saving the State an estimated  
20 \$27,000,000 a year.



1           However, noncitizen residents enrolled through the Hawaii  
2 health connector who have an income of less than one hundred per  
3 cent of the federal poverty level will be evaluated as if their  
4 income is at one hundred per cent for purposes of calculating  
5 any tax credits and cost-share reduction. This valuation is in  
6 contradiction to how medicaid-eligible citizens would be  
7 evaluated. Other costs, such as deductibles and co-pays, may be  
8 assessed against noncitizen residents that they would not be  
9 required to pay if they were medicaid-eligible.

10           The department of human services has announced that it  
11 intends to offer assistance for health insurance premiums to  
12 certain noncitizens who enroll in certain plans through the  
13 Hawaii health connector. There are other costs, such as co-pays  
14 and deductibles, that may be assessed against this group and  
15 will not be addressed by the premium assistance. Supplementing  
16 the department's premium assistance plan with additional funds  
17 to cover any premium, co-pay, or deductible that is not met will  
18 still allow the department to realize significant cost-savings.

19           The department of human services estimates that there are  
20 approximately seven thousand five hundred non-pregnant, non-  
21 aged, non-blind, and non-disabled adult COFA noncitizen



1 residents who currently receive medicaid-like coverage and will  
2 need to be transferred to a plan through the Hawaii health  
3 connector and approximately one thousand other non-pregnant,  
4 non-aged, non-blind, and non-disabled adults lawfully present  
5 noncitizen residents ineligible for medicaid.

6 The purpose of this Act is to direct the department of  
7 human services to support low-income COFA residents and other  
8 legal permanent residents, who have lived in the United States  
9 less than five years, with maintaining or obtaining health  
10 insurance at no cost beyond what is required of the State's  
11 medicaid recipients and to correspondingly appropriate funds for  
12 fiscal years 2015-2016 and 2016-2017.

13 SECTION 2. For any COFA residents who would otherwise be  
14 eligible for medicaid except for citizenship status and any  
15 lawfully present legal permanent residents admitted to the  
16 United States for less than five years who are age nineteen  
17 years and older and who would otherwise be eligible for medicaid  
18 except for citizenship status, the department of human services  
19 shall pay any health insurance costs assessed against the  
20 resident that the resident would not be required to pay if the  
21 resident was eligible to enroll in medicaid; provided that the



1 resident is transferred to or enrolls in a health care plan  
2 through the Hawaii health insurance exchange. The costs shall  
3 be paid by the department of human services directly to the  
4 health insurance provider and shall include:

5 (1) The individual's share of the premium of the health  
6 insurance plan that is not covered by a federal  
7 subsidy; and

8 (2) Any co-pays and deductibles up to the maximum out-of-  
9 pocket costs of at least one of the silver II plans.

10 SECTION 3. The department of human services shall engage  
11 in, or contract with a qualified service provider to engage in,  
12 community outreach to the noncitizen resident communities and  
13 provide assistance with transfer and enrollment of noncitizen  
14 residents in health insurance plans through the Hawaii health  
15 insurance exchange.

16 SECTION 4. There is appropriated out of the general  
17 revenues of the State of Hawaii the sum of \$8,000,000 or so much  
18 thereof as may be necessary for fiscal year 2015-2016 and the  
19 same sum or so much thereof as may be necessary for fiscal year  
20 2016-2017 to the department of human services to pay health  
21 insurance costs required under this Act.



1 The sums appropriated shall be expended by the department  
2 of human services for the purposes of this Act.

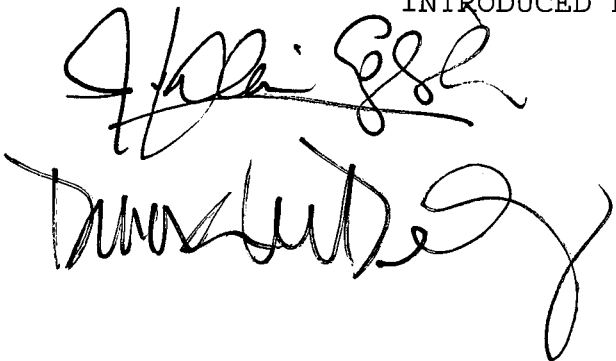
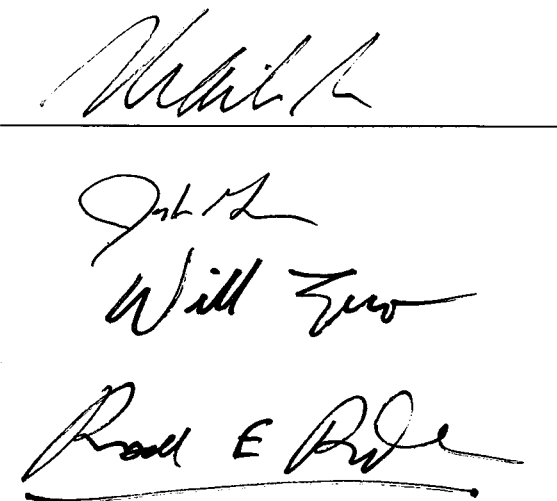
3 SECTION 5. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$500,000 or so much  
5 thereof as may be necessary for fiscal year 2015-2016 and the  
6 same sum or so much thereof as may be necessary for fiscal year  
7 2016-2017 to the department of human services for community  
8 outreach efforts required under this Act.

9 The sums appropriated shall be expended by the department  
10 of human services for the purposes of this Act.

11 SECTION 6. This Act shall take effect on July 1, 2015.

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INTRODUCED BY:

	
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# S.B. NO. 1327

**Report Title:**

Compacts of Free Association; Health Care; Appropriation

**Description:**

Requires the State to pay costs assessed on low-income Compacts of Free Association residents and other lawfully present legal permanent residents who receive health care through the Hawaii Health Connector and would otherwise be eligible for Medicaid except for their citizenship status. Requires the Department of Human Services to engage in community outreach. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

