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



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

7 In November 2014, the department of human services  
8 announced that effective March 1, 2015, coverage under the  
9 State's medicaid managed care 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 medicaid managed care  
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 lawfully present noncitizens who would  
8 otherwise be eligible for medicaid except for citizenship or  
9 immigration status with maintaining or obtaining health  
10 insurance, subject to any restrictions imposed by the Personal  
11 Responsibility and Work Opportunity Reconciliation Act of 1996,  
12 at no cost beyond what is required of the State's medicaid  
13 recipients and to correspondingly appropriate funds for fiscal  
14 years 2015-2016 and 2016-2017.

15       SECTION 2. Subject to any restrictions imposed on the  
16 State's ability to provide state public benefits to noncitizens  
17 by the Personal Responsibility and Work Opportunity  
18 Reconciliation Act of 1996, Pub. L. No. 104-193, for any  
19 lawfully present noncitizen who would otherwise be eligible for  
20 medicaid except for citizenship or immigration status, the  
21 department of human services shall pay any health insurance



1 costs assessed against the resident that the resident would not  
 2 be required to pay if the resident was eligible to enroll in  
 3 medicaid; provided that the resident is transferred to or  
 4 enrolls in a health insurance plan through the Hawaii health  
 5 insurance exchange. The costs shall be paid by the department  
 6 of human services directly to the health insurance issuer and  
 7 shall include:

- 8 (1) The individual's share of the premium due to the  
 9 health insurance plan that is not covered by a federal  
 10 subsidy; and
- 11 (2) Any co-payments and deductibles up to the maximum out-  
 12 of-pocket costs of at least one of the silver II  
 13 plans.

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

20 SECTION 4. There is appropriated out of the general  
 21 revenues of the State of Hawaii the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2015-2016 and  
2 the same sum or so much thereof as may be necessary for fiscal  
3 year 2016-2017 to the department of human services to pay health  
4 insurance costs required under this Act.

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

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

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

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

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**Report Title:**

Compacts of Free Association; Health Care; Appropriation

**Description:**

Requires the State to pay costs assessed on low-income noncitizens who receive health care through the Hawaii health connector and would otherwise be eligible for medicaid except for their citizenship or immigration status, subject to any restrictions imposed by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Requires the department of human services to engage in community outreach. Appropriates funds. (SD1)

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

