



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 22, 2018

TO: The Honorable Representative Sylvia Luke, Chair
House Committee on Finance

FROM: Pankaj Bhanot, Director

SUBJECT: **HB2738 HD 1 - RELATED TO CHILDREN'S HEALTH CARE**

Hearing: Friday, February 23, 2018, 11:00 a.m.
Conference Room 308, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) offers comments.

PURPOSE: The purpose of the bill is to establish the Hawaii infant health care program and the Hawaii children's health care program as temporary three-year pilot programs to expand and monitor health care coverage for children in Hawaii by: (1) Providing continuous, quality health care services to uninsured newborn children who are one day, but not more than thirty days of age through the Hawaii infant care program; provided that these children may enroll in the Hawaii children's health care program upon reaching thirty-one days of age; (2) Providing health care coverage to certain children who are at least thirty-one days, but less than nineteen years old through a public-private partnership between the department of human services and one or more managed care plans operating in the State under chapter 432, Hawaii Revised Statutes, that offer accident and health or sickness insurance plans; and (3) Appropriating funds for these pilot programs.

This bill's idea of creating a three year pilot program came from a pilot program implemented ten years ago in 2007, Act 236 Keiki Care. It authorized an Infant Health Care program, eliminated Med-QUEST program premiums for U.S.

citizen children in families with incomes 251-300% of the Federal Poverty Level (FPL), expanded legal resident children eligibility for free Med-QUEST programs from families with income of 200% FPL to 300%, and created the Keiki Care plan, a three-year public private partnership pilot between the State and HMSA to provide a basic health insurance coverage package to children not eligible for Med-QUEST programs. Additionally, the Infant Health Care program was intended to provide health insurance for children from birth to thirty days old.

Of note, this bill does not propose any income limitations for participants.

In a 2009 report to the Hawaii State Legislature, Med-QUEST explained that the pilot program fell considerably short of achieving its intended purpose of insuring previously uninsured infants and children whose parents were unable to afford or were ineligible for health insurance due to their undocumented or temporary visa status. Program participation estimates from the 2008 pilot demonstrated that only about 15% of participants (upper limit of 300 enrollees) were actually from the intended target group. The remaining 85% of participants transitioned from being covered through private pay into coverage through the pilot.

Med-QUEST, through Medicaid expansion allowed under the Affordable Care Act, is currently covering children whose families earn up to 313% of the Federal Poverty Level (FPL). Children in these families can receive free comprehensive health insurance through QUEST Integration with no premium or co-pay. For example, the upper income limit for a family of four is \$88,500. This is above the median household income in Hawaii which is currently at \$71,977.

For families with income over 313% of the Federal Poverty Level, there is an opportunity to purchase health insurance on the Federal Marketplace and potentially leverage financial assistance in the form of Advanced Premium Tax Credit (APTC) to assist with affordability.

As of November 1, 2017, there are over 113,250 children enrolled through Medicaid expansion: more than one in every three children in Hawaii are enrolled in Medicaid.

The recent congressional approval of the CHIP program through Federal Fiscal Year 2027 is a fundamental piece to ensure that children can be insured, we are encouraged that more than 98% of Hawaii's keiki are currently insured,¹ and they will continue to be through the foreseeable future.

If this measure moves forward, the costs to cover this population would be far greater than the proposed \$750,000. The estimated costs would be likely up to \$2,650 per child per year which is the estimated cost per Medicaid covered child. Using the estimates of the number of uninsured children noted in the bill, the cost for this program could total up to \$18,277,050, of which 50% would be paid from state funds per year (and would not be eligible for federal match), plus the noted administrative costs for implementing and overseeing a new program. DHS is not aware of a willing health plan or plans willing to cover the other half of required funds.

Thank you for the opportunity to provide comments on this measure.

¹ HEALTH INSURANCE COVERAGE STATUS BY SEX BY AGE

Universe: Civilian noninstitutionalized population 

2016 American Community Survey 1-Year Estimates

https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_C27001&prodType=table

HB-2738-HD-1

Submitted on: 2/22/2018 10:45:46 AM

Testimony for FIN on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

HB-2738-HD-1

Submitted on: 2/22/2018 1:28:40 PM

Testimony for FIN on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

To: Chari, Vice Chair and other members of the Committee

Hearing: Friday February 23, 2018

11 am

Conference Room 308

From: Sydney Bivert

RE: HB 2738 Relating to Children's Health Care

Thank you for the opportunity to testify. My name is Sydney Bivert and I am a social work student with Arizona State University Online. I am in strong support for HB 2738 because children are a vital and vulnerable population.

I have seen through my experience as an intern and employee that works with families that have seriously ill children, that too many of these kids fall through the gap of receiving care which then puts a large financial burden on families. According to the American Cancer Society it was predicted that over 10,000 children were going to be diagnosed with cancer in the year 2017 with the cancer rates slowly rising (American Cancer Society, 2016). This is not including other forms of critical illnesses such as cardiac conditions, chromosomal disorders and so many more that children are often times born with. Without the added medical care coverages, some families may be forced to choose between the costs of care and the best care possible for their child. According to a study that was published by Harvard, in 2007, 62% of bankruptcies that were filed were because of medical bills. Of those, more than three-fourths of those with medical debt had healthy insurance (New York Times, 2009). For so many families with an ill child, this is becoming a haunting reality. While this bill will ensue a large financial burden, it will be investing in the future of our keiki.

In conclusion, this bill would be investing and caring for the future generations by helping those families that are in need and may otherwise have to sacrifice the health of their child due to financial burden. Thank you for this opportunity to testify in strong support of HB 2738.

Sack, Kevin. "From the Hospital to Bankruptcy Court."

<http://www.nytimes.com/2009/11/25/health/policy/25bankruptcy.html>

American Cancer Society. "Key Statistics for Childhood Cancers."

<https://www.cancer.org/cancer/cancer-in-children/key-statistics.html>

LATE

HB-2738-HD-1

Submitted on: 2/22/2018 6:32:40 PM

Testimony for FIN on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Martha Nakajima	ACLU People Power	Support	No

Comments:

In these difficult times, to fill the last gap in health care coverage for Hawaii's children is a down payment on hope for the future of our country. We need to save every child in order to rebuild.

Thank you so much to 19 members of the House for this inspiring initiative.

LATE

SUPPORT HOUSE BILL 2738

COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair

DATE: Friday, February 23, 2018

TIME: 11:00 A.M.

PLACE: Conference Room 308

State Capitol

415 South Beretania Street

To the House Committee on Finance:

Aloha! My name is Justin Salisbury, and I am a proud member of the Democratic Party of Hawaii.

I support HB 2738, a bill that establishes a program to provide basic healthcare coverage for uninsured babies and children in Hawaii.

By addressing any unmet need, we guarantee that all our keikis are covered by either insurance or this special pilot program; thus, we will create universal healthcare coverage for our children. It is important for our keikis to have access to healthcare right from birth, as this both immediately protects their health and sets them on track for a lifetime of better health, lower healthcare costs, and reduced consumption of related social services.

HB 2738 is a win for both healthcare and finance, and I respectfully request that you pass this bill.

Mahalo nui loa,

Justin Salisbury

1617 Kapiolani Boulevard, Unit 1402

Honolulu, Hawaii 96814

HB-2738-HD-1

Submitted on: 2/22/2018 7:34:43 PM

Testimony for FIN on 2/23/2018 11:00:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
John Zwiebel	Individual	Support	No

Comments:

I support single-payer healthcare for all Hawaii Residents.

The administrative costs of Medicare are less than 5%

The administrative costs of Health Insurance from the giant Insurance companies is many times that.

Doctors and medical providers waste enormous amounts of time and money having to deal with multiple Insurance companies. I waste enormous amounts of time trying to match my claims against service provided. Often my Insurance company presents their benefit claims in such a confusing manner that it is just easier to pay extra than spend the time trying to figure out what they did and did not pay.

Health Insurance from Insurance corporations is a rip-off.

LATE

HB-2738-HD-1

Submitted on: 2/22/2018 8:20:53 PM
Testimony for FIN on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Shimei	Women's March Hawaii	Support	No

Comments:

We support HB 2738, a bill that creates a program to provide basic healthcare coverage for uninsured babies and children in Hawaii. By filling this gap, we guarantee that all our keikis are covered either via insurance or via this special pilot program, and therefore we will have universal healthcare coverage for our children. It is important for our keikis to have access to healthcare right from birth, as this both immediately protects their health and prevents escalation into potentially more complex, dangerous, and expensive conditions later on. This is a win from both a healthcare and finance perspective, and we respectfully ask that you pass this bill.

HB-2738-HD-1

Submitted on: 2/22/2018 8:29:28 PM

Testimony for FIN on 2/23/2018 11:00:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Terez Amato Lindsey	Individual	Support	No

Comments:

Pear pass this common sense measure that will benefit all of Hawaii's children. Thank you! Terez Amato Lindsey, Kihei, Maui

LATE

HB-2738-HD-1

Submitted on: 2/22/2018 9:04:44 PM

Testimony for FIN on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Catherine Roberts	Individual	Support	No

Comments:

Chair Luke
Vice Chair Cullen

My name is Cathy Roberts and I conditionally support HB 2738, a bill that creates a program to provide basic healthcare coverage for uninsured babies and children in Hawaii, if the implementation of the program is performed by an administratively simple billing department. By filling this gap at a cost which will exclude the high cost of Managed Care, we guarantee that all our keikis are covered via this special pilot program, and therefore we will have universal healthcare coverage for our children, at a demonstrably lower cost than if any of our Managed Care programs provide their insurance coverage.

It is important for our children to have access to healthcare right from birth, as this both immediately protects their health and prevents escalation into potentially more complex, dangerous, and expensive conditions later on. It is also important to show how healthcare can be provided without unnecessary non medical bureaucracy. This is a win from both a healthcare and finance perspective, and we respectfully ask that you pass this bill with the following amended language:

(2) Providing health care coverage to certain children who are at least thirty-one days, but less than nineteen years old through a public-private partnership between the department of human services and a new **Universal Healthcare Department which simply covers children, adopts a simplified billing and reimbursement process, which achieves the goal of managing the delivery of healthcare while keeping the total spending on administrative overhead at less than 3%.**

Mahalo,

Cathy Roberts

cputnamroberts@gmail.com

LATE

HB2738 insurance for children

As a health care provider I can attest that preventative care is not only more cost effective, it is the moral thing to do. No child should be without health benefits that offer comprehensive care. Our Keiki deserve our protection.

LATE

Date: Friday, 02-23-18 11:00AM

To: The Honorable Sylvia Luke, Chair, The Honorable Ty J.K. Cullen, Vice Chair, and Members of the House Committee on Finance

RE: Support for HB 2738 HD1

From: Doris Segal Matsunaga, Save Medicaid Hawaii

Aloha Chair Luke, Vice Chair Cullen and Members of the House Committee on Finance:

Save Medicaid Hawaii, a network of concerned Hawaii residents, strongly supports HB 2738 HD1

We support the bill's intention to insure an estimated 7,000 children falling into a gap group of uninsured children, including families with incomes over 300% FPL and infants born to uninsured mothers, immigrants with temporary visas, and undocumented immigrants who have been in Hawaii for less than six months.

In Hawaii we understand that we are one small island state, and what affects one, affects all. When residents are uninsured or underinsured the costs increase for providers of last resort (hospitals, community health centers, first responders) which are then passed on to all of us via increased health premiums.

Doris Segal Matsunaga
Save Medicaid Hawaii
savemedicaidhawaii@gmail.com
<https://www.facebook.com/SaveMedicaidHawaii/>

LATE

Personal testimony by Dennis B Miller

TO THE COMMITTEE ON FINANCE

HOUSE OF REPRESENTATIVES THE TWENTY-NINTH LEGISLATURE REGULAR SESSION OF 2018

Friday February 23, 2018 11:00 a.m.

Conference Room 308

RE: TESTIMONY IN SUPPORT OF HOUSE BILL 2738

RELATING TO CHILDREN'S HEALTHCARE

To the Honorable Sylvia Luke, Chair; the Honorable Ty J.K. Cullen, Vice Chair; and Members of the Finance Committee:

I conditionally support HB 2738, a bill that creates a program to provide basic healthcare coverage for uninsured babies and children in Hawaii, **if the implementation of the program is performed by an administratively simple billing department.** By filling this gap at a cost which **will exclude the high cost of Managed Care**, this bill will guarantee that all our keiki are covered via this special pilot program, and therefore will have universal healthcare coverage, at a demonstrably lower cost than if any of our Managed Care programs provide their insurance coverage.

It is important for our keiki to have access to healthcare right from birth, as this both immediately protects their health and prevents escalation into potentially more complex, dangerous, and expensive conditions later on. It is also important to show how healthcare can be provided without unnecessary non-medical bureaucracy. This is a win from both a healthcare and finance perspective, and I respectfully ask that you pass this bill with the following amended language:

(2) Providing health care coverage to certain children who are at least thirty-one days, but less than nineteen years old through a public-private partnership between the department of human services **and a new Universal Healthcare Department which simply covers children, adopts a simplified billing and reimbursement process, which achieves the goal of managing the delivery of healthcare while keeping the total spending on administrative overhead at less than 3%.**

thank you,

Dennis B Miller

226 Lewers Street Ste L209
Honolulu, HI 96815
singlepayerhawaii@gmail.com

LATE

HB-2738-HD-1

Submitted on: 2/22/2018 10:56:03 PM
Testimony for FIN on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lois Langham	Individual	Support	No

Comments:

I strongly support HB2738, supporting healthcare for infants and children of families who cannot afford medical care.

LATE

HB-2738-HD-1

Submitted on: 2/23/2018 4:30:09 AM

Testimony for FIN on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sylvia Ching	Individual	Support	No

Comments:

LATE

HB-2738-HD-1

Submitted on: 2/23/2018 8:13:44 AM

Testimony for FIN on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Marion Poirier	Individual	Support	No

Comments:

Aloha,

I strongly support HB2738 which supplies our youngsters with access to the healthcare they need.

Thank you

Marion Poirier, M.A.,R.N.

TO: The Honorable Sylvia Luke, Chair
The Honorable Ty J>K> Cullen, Vice Chair
Finance Committee

LATE

FROM: Sheila Beckham, CEO
Waikiki Health



RE: HB 2738 HD1

DATE: 2/23/2018

On behalf of Waikiki Health, we strongly urge you to support SB2738 which provides insurance coverage for approximately 7,000 children falling into a gap group of uninsured children.

Hawaii has always been a leader in the ensuring that all individuals and families in Hawaii receive access to affordable medical services and medical insurance.

We thank you for your consideration.

LATE

HB-2738-HD-1

Submitted on: 2/23/2018 12:33:55 PM

Testimony for FIN on 2/23/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rebecca Delafield	Individual	Support	No

Comments: