

**ACT 252**

S.B. NO. 900

A Bill for an Act Relating to the Hawaii State Health Insurance Assistance Program.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. In accordance with section 9 of article VII of the Hawaii State Constitution and sections 37 91<sup>1</sup> and 37 93,<sup>1</sup> Hawaii Revised Statutes, the legislature has determined that the appropriations contained in H.B. No. 300, H.D. 1, S.D. 1, C.D. 1,<sup>2</sup> and this Act will cause the state general fund expenditure ceiling for fiscal year 2023 2024<sup>1</sup> to be exceeded by \$1,063,953,655 or 11.0 per cent. This current declaration takes into account general fund appropriations authorized for fiscal year 2023 2024<sup>1</sup> in H.B. No. 300, H.D. 1, S.D. 1, C.D. 1,<sup>2</sup> and this Act only. The reasons for exceeding the general fund expenditure ceiling are that:

- (1) The appropriation made in this Act is necessary to serve the public interest; and
- (2) The appropriation made in this Act meets the needs addressed by this Act.

SECTION 2. The legislature finds that medicare is essential to providing health care coverage for older adults and persons with disabilities in the State. However, the rules and procedures for medicare eligibility and enrollment are complex and difficult to navigate, especially for kupuna. The legislature further finds that Hawaii's medicare population has increased one hundred twenty per cent over the span of thirty years, from 133,439 persons in 1992 to 295,405 persons in 2022.

According to World Population Review, an independent organization without political affiliations, Hawaii ranks first in the nation in terms of longevity, with residents living 81.3 years on average, and the cost of living in Hawaii is almost double that of the national average, at 193.3 per cent. In 2022, total medical and prescription drug spending rose to \$157,480,248. According to a Financial Health Network and Hawaii Community Foundation report, seventy-three per cent of medicare beneficiaries report dipping into savings and forty-seven per cent report relying on family and friends for financial support. Approximately four per cent of the State is uninsured, and about eleven per cent live in poverty. Without insurance, unexpected medical costs or a catastrophic illness could result in the loss of one's home and assets. A lack of health care coverage lowers health outcomes and increases health care costs, poverty rates, and the number of individuals who qualify for the already overburdened medicaid program.

The legislature further finds that the Hawaii state health insurance assistance program was established within the executive office on aging in 1992 with two temporary staff members. The program's purpose is to assist and educate medicare beneficiaries to:

- (1) Make informed health insurance choices based on the beneficiary's needs and budget;
- (2) Enroll in medicare as soon as first eligible to avoid lifetime late enrollment penalties;
- (3) Access wellness and preventive services to improve health outcomes, lower health care costs, and promote aging in place; and
- (4) Enroll in low-income subsidy programs, including medicaid, to reduce out-of-pocket costs.

The Hawaii state health insurance assistance program collaborates with county agencies on aging to conduct statewide outreach at health fairs, enrollment events, senior centers, and community organizations and through presentations to employers to promote the program's free, local, unbiased, and confidential services. Hawaii's state health insurance assistance program currently serves over eight thousand eight hundred individuals, approximately three per cent of Hawaii's medicare population. The Administration for Community Living, a division of the federal Department of Health and Human Services, considers eight per cent of the medicare population, or 23,191 individuals, as acceptable performance and justification for continued funding. Additional staffing resources are needed to meet this annual goal by fiscal year 2025.

The purpose of this Act is to:

- (1) Require the executive office on aging to submit annual progress reports to the legislature on the Hawaii state health insurance assistance program; and

- (2) Appropriate funds for the Hawaii state health insurance assistance program to establish program specialist positions within the executive office on aging to meet the growing aging population's increasing demand for accurate, timely, and reliable services.

SECTION 3. Chapter 349, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§349- The Hawaii state health insurance assistance program; annual report.** The executive office on aging shall submit to the legislature a progress report on the Hawaii state health insurance assistance program no later than twenty days prior to the convening of each regular session. The report shall include but not be limited to:

- (1) The number of persons in the State's medicare population served by outreach programs;
- (2) The number of previously uninsured persons who received assistance with enrollment in medical or prescription drug coverage; and
- (3) The number of persons assisted by the Hawaii state health insurance assistance program with enrollment in low-income subsidy programs.”

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$186,288 or so much thereof as may be necessary for fiscal year 2023-2024 for the establishment of one full-time equivalent (1.0 FTE) program specialist III position, one full-time equivalent (1.0 FTE) program specialist IV position, and one full-time equivalent (1.0 FTE) program specialist V position within the executive office on aging for the Hawaii state health insurance assistance program.

The sum appropriated shall be expended by the executive office on aging for the purposes of this Act.

SECTION 5. New statutory material is underscored.<sup>3</sup>

SECTION 6. This Act shall take effect on July 1, 2023.

(Approved July 7, 2023.)

#### Notes

1. So in original.
2. Act 164.
3. Edited pursuant to HRS §23G-16.5.