

## Hawaii Reporter

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### **Basic Health Hawaii Program to Offer Health Coverage for Non-Citizen Residents**

#### **Ineligible for Medicaid**

By Toni Schwartz, 12/21/2009 12:04:05 PM

HONOLULU – The State Department of Human Services (DHS) is seeking public comment on proposed administrative rules for Basic Health Hawai'i, a program that would provide free medical insurance for adult non-citizens, including many low-income migrants from Pacific island nations.

Coverage would include four medications monthly – including chemotherapy drugs – along with 12 outpatient doctor visits, ten hospital days, six mental health visits, three procedures and emergency medical and dental care.

“We have achieved our goal of creating a state-funded medical program that meets the basic needs of legal aliens who do not qualify for federal assistance,” DHS Director Lillian Koller said. “While benefits are less comprehensive in Basic Health Hawai'i than in our QUEST and QUEST Expanded Access Medicaid programs, DHS must live within its means during these challenging economic times.

“When we announced plans for Basic Health Hawai'i last summer, Pacific migrants and others were concerned that the program did not cover kidney dialysis and chemotherapy,” Koller continued. “We worked with health care providers and the federal government to cover dialysis as an emergency service through Medicaid. We also expanded Basic Health Hawai'i to cover brand-name drugs, including chemotherapy drugs. This should alleviate any concerns.”

In 1996, Congress made most non-U.S. citizens – including people from Micronesia, the Marshall Islands and Palau who migrate to Hawai'i under the Compacts of Free Association (COFA) with the U.S. government – ineligible for Medicaid and other federally funded services, except for emergency services. Many of these migrants currently receive comprehensive Medicaid-like coverage entirely paid for with state funds.

DHS originally planned to transfer about 7,000 COFA migrants from Medicaid-like coverage into Basic Health Hawai'i on Sept. 1. This would have produced about \$15 million in annual savings to help close the state budget shortfall, while enabling DHS to enhance prescription drug benefits

and offer free health insurance for legally resident non-citizens who are currently ineligible for government aid. DHS will now postpone launching Basic Health Hawai'i until it publishes rules governing implementation.

"The delay in starting Basic Health Hawai'i and the expanded benefits will cut expected savings in half to about \$8 million or less annually, which corresponds to a reduction in budgeted savings from \$10 million to just \$2 million this fiscal year," Koller said.

"Because the state's fiscal condition is worsening, DHS will likely need to cut benefits in other medical assistance programs. For every dollar of lost savings through Basic Health Hawai'i, we would need to cut \$3 in benefits from our Medicaid programs, which are currently supported by enhanced matching federal funds.

"As far as we know, Hawai'i is the only state that offers free health insurance to adult, non-pregnant COFA migrants," Koller continued. "DHS has generously provided them with Medicaid-like benefits since the mid-1990s using state-only tax dollars."

Low-income pregnant women and children who are not American citizens can now receive free Medicaid coverage through the Children's Health Insurance Program Reauthorization Act of 2009, which became federal law in February.

In Hawai'i, more than \$120 million in state funds are spent each year on health care, education and other services for COFA migrants, yet the U.S. Department of the Interior only provides the state with about \$11 million to partially cover the costs.

"Undeniably, it is a federal – not a state – responsibility to help COFA migrants as compensation for the extensive harm caused to their nations by the U.S. nuclear weapons testing program in the Pacific during the 1940s and 1950s," Koller said.

"Accordingly, Hawai'i should receive full reimbursement from the federal government for all services we provide to COFA migrants. Unfortunately, Congress continues to ignore our repeated requests for relief."

DHS Public Information Officer Toni Schwartz issued this report