

## **Hawaii Premium Plus (HPP): Phase-Out Plan**

**Effective January 1, 2012**

### **1. Hawaii Premium Plus (HPP)**

The HPP program was established to prevent, shorten, or eliminate the need for medical assistance administered by the Department of Human Services. This temporary program was designed to increase employment and increase health coverage during the economic recession that affected Hawaii and the rest of the country.

The State provided an incentive to eligible employers to increase employment by providing a health insurance premium subsidy of approximately one-half of the eligible employer's share under the Hawaii Prepaid Health Care Act, Hawaii Revised Statutes, Chapter 393, with respect to new qualified employees for one year. The State believed that this subsidy would: (1) help to stimulate job growth in the State; (2) increase coverage of uninsured adults; (3) reduce the risk that those currently unemployed will end up in the Medicaid program; and (4) result in savings to both the Federal and State governments by reducing unemployment payments. The HPP was implemented on May 1, 2010.

The State reimbursed an eligible employer a premium subsidy no greater than \$140 per month (not to exceed 50% of the employer's share), for providing health insurance to a qualified employee (including family coverage, if any), for a period of up to 12 months for each qualified employee hired beginning May 1, 2010 through April 30, 2011. Upon expiration of the premium subsidy, the employer must maintain the qualified employee on its payroll, with employer-sponsored insurance coverage, for a period equivalent to the subsidy period (months 13 - 24).

Because the employers are required to provide health insurance to qualified employees under the Hawaii Prepaid Health Care Act, cessation of HPP will not adversely impact the health insurance coverage for any qualified employee. As of September 1, 2011, there were no employers enrolled in HPP.

### **2. Potential Consumer Notices:**

Within two weeks of approval of this transition plan, the MQD will notify all Enrolled Employers that on January 1, 2012 the Hawaii Premium Plus program will be terminated.

See Attachment.

**The notice include appeal rights.**

### **3. Administrative Appeals:**

The Department of Human Services, Administrative Appeals Office (AAO) provides administrative due process hearings in contested cases for the Department. The AAO receives approximately 1,300 administrative hearing requests and referrals annually and it issues about 750 administrative hearing decisions each year.

A claimant may request a review by the Department if unsatisfied with a decision made by the Department. Requests for review shall be submitted in writing within ten days from the date the decision is rendered. If the tenth day falls on a weekend or holiday, the tenth day is the first business day following the weekend or holiday. If the request is untimely, it shall be denied. The decision shall be final and conclusive.

The process begins when a written request for hearing on the Department's form or other document signed by a claimant or authorized representative of the claimant that indicates a desire for a hearing. The authorized representative must have power of attorney, guardianship, a legal document, or written authorization signed by the claimant. All requests for hearing are sent to the AAO, or its designee for processing. The AAO or its designee will inform the claimant of any irregularities or missing information.

Informal Review:

A claimant may request an informal review before or after filing a hearing request from the Customer Service Branch Administrator. The MQD will honor the request and schedule a review with the claimant (face-to-face or via telephone). During the informal review, the claimant is given the opportunity to discuss reasons for the proposed action and to present information to show that the proposed action is incorrect. Corrective action is made as necessary. If the informal review resolves the claimant's reason for the hearing, the Department will ask the claimant to rescind the hearing request. If the individual remains dissatisfied after the review is completed and the individual had not filed a request for a hearing, the individual may request a hearing subject to the policies described earlier.

Group Hearings:

A series of individual requests for a hearing may be consolidated into a single group hearing when the sole issue involved is one of State or Federal law or policy, or changes in State or Federal law. Each individual is permitted to present the individual's own case or be represented by an authorized representative.

Event and Timeline:

<b>Event</b>	<b>Timeline</b>
Hearing Request Received by the MQD	Received by the MQD before or on the 10 <sup>th</sup> day since adverse notice mailed. (If the 10 <sup>th</sup> day falls on weekend or holiday, the 10 <sup>th</sup> day shall be the next business day).
Hearing Request to AAO, or its designee	Sent two days from the date a request for a hearing is received.
Branch Report to AAO, or its designee (a report from the MQD to the AAO, or its designee that	Sent two weeks from the date a request for a hearing is received.

explains the adverse action  
taken and reason)

Hearing Date

A date at least 15 days after the mailing of the Notice of  
Hearing.

Hearing Decision

On or before the 90<sup>th</sup> day from the date a request for a  
hearing is received.

Hearing decision not issued by 90<sup>th</sup> day:

- Agency caused delay – Staff is verbally notified of the 91<sup>st</sup> day then a written confirmation is sent by the AAO or its designee within three business days to the claimant and the MQD.
- Claimant caused delay – The date is extended only for the period of the delay.
- Compliance of Hearing Decision:
  - MQD’s action is upheld:
    - The proposed adverse action is final and will be implemented.
  - The MQD’s action is rescinded:
    - Necessary corrections are made promptly, retroactive to the date the incorrect action was taken, and claimant is notified.
    - The AAO or its designee will provide a “Report on Compliance,” form DHS 030, to the MQD. All actions taken to comply with the hearing decision must be documented on the report and returned to AAO or its designee immediately.

[Case Name]

[Address]

[Address]

[Case Number]

[Date, e.g., December 15, 2011]

As an Enrolled Employer, this notice is to inform you that effective January 1, 2012, the Hawaii Premium Plus program will be terminated.

Auth: H.A.R. §17-1709.3.21

Important information is explained on the back of this notice. You may request a review with the State of Hawaii Department of Human Services if you are unsatisfied with this decision. A written request for a review must be received by December 31, 2011.

If you have questions, you may contact us by mail. Our address is: Department of Human Services/Med-QUEST Division/Customer Service Branch/Hawaii Premium Plus/P.O. Box 700190/Kapolei, Hawaii 96709. Or, you may contact us by telephone – Oahu residents may call 524-3370 and Neighbor Island residents may call toll-free 1-888-445-6582. Our office hours are 7:45 a.m. to 4:30 p.m.

## **IMPORTANT NOTICE**

If you do not agree with the action, you may call the State of Hawaii Department of Human Services Med-QUEST Division Customer Service Branch, or you may have an informal review meeting with the supervisor to present evidence to prevent or correct the intended action.

You also have the right to request a formal review if you are unsatisfied with a decision made by the Department. Requests for review shall be submitted in writing within 10 days from the date the decision is rendered. If the request is untimely, it shall be denied. If the Department's decision is upheld, the decision shall be final and conclusive.

## **FRAUD**

Anyone who lies, misrepresents the truth, withholds information, or arranges for someone to knowingly lie or misrepresent the truth is committing a crime punishable under either or both Federal or State law and may be liable for repaying the value of benefits received and be subject to civil penalties.