

EXECUTIVE CHAMBERS

HONOLULU

July 10, 2009

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 989

Honorable Members
Twenty-Fifth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 989, entitled "A Bill for an Act Relating to Children's Health Care."

The purpose of this bill is to reinstate the Hawaii Children's Health Care Program, otherwise known as Keiki Care, for three years and require the participants to receive primary health care services at federally qualified health centers. The program is funded through an appropriation of \$400,000 from the general fund for the biennium.

This bill is objectionable because it fails to carry out the legislative intent of the Keiki Care program, as established pursuant to Act 236, Session Laws of Hawaii 2007. That intent was to provide health care coverage to children who are uninsured and ineligible for the State's Med-QUEST programs or other health care coverage.

An evaluation of the program found that when Keiki Care was launched in April 2008, there were 1,804 children enrolled, of which 1,750 or 95% were previously insured by their own families through HMSA's Children's Plan.

When the State evaluated the program in August 2008, it discovered that of the nearly 2,021 children enrolled in Keiki Care, only approximately 300 or 15% met the criteria of "gap group" children who were uninsured and ineligible for their coverage. The program failed to assist the neediest children who

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were being crowded out by participants who could afford to purchase health coverage at a minimal cost through HMSA's Children's Plan but had switched to Keiki Care to receive free medical care at taxpayer expense.

This bill is also objectionable because it revives the Keiki Care program but fails to address substantive problems previously encountered with its implementation. The bill does not contain a mechanism to target program participation to the truly needy who are unable to access other State health care coverage programs, such as ensuring the children are from households that meet the residency and income thresholds.

Further, this bill raises concerns because it requires Keiki Care participants to receive medical care only at federally qualified health centers. While the State's fourteen federally qualified health centers play a vital role in Hawaii's healthcare safety net, the State should not establish the practice of limiting patients to specific providers without good cause. Moreover, this provision fails to recognize that federally qualified health centers may not be accessible to all children because of their geographic locations. At a time when federally qualified health centers report an increased strain on the health care safety net, adding to the strain is unwise.

For the foregoing reasons, I am returning House Bill No. 989 without my approval.

Respectfully,



LINDA LINGLE
Governor of Hawaii