

**REPORT TO THE TWENTY-FOURTH HAWAII STATE  
LEGISLATURE 2007**

**IN ACCORDANCE WITH THE PROVISIONS OF  
ACT 160, SECTION 8 (20), SECTION 168.4,  
SESSION LAWS HAWAII (SLH) 2006**

**DEPARTMENT OF HUMAN SERVICES  
MED-QUEST DIVISION  
December 2006**

**REPORT ON ACT 160, SECTION 8. (20), SECTION 168.4, RELATING TO THE STATE BUDGET, SESSION LAWS OF HAWAII 2006**

Act 160, Section 8. (20), Section 168.4, SLH 2006, requires the Department of Human Services (DHS) to submit a report with regards to the implementation of the QUEST Adult Coverage Expansion (ACE) and direct payments to hospitals. The report shall include but not be limited to: 1) identifying the hospitals receiving direct payments and the amount paid to each hospital; 2) the number of people enrolled in QUEST-ACE; 3) the federal benchmarks for QUEST-ACE; and 4) measurable statistics of how the QUEST-ACE program is lowering the uninsured population in Hawaii.

**(1) The amount paid to each private hospital in State Fiscal Year 2006:**

Hospital	Amount Paid in FY 06
<b>Castle Medical Center</b>	<b>\$ 485,313.00</b>
<b>Kahuku Hospital</b>	<b>\$ 22,007.00</b>
<b>Kahi Mohala</b>	<b>To start FY 07</b>
<b>Kaiser Permanente Medical Center</b>	<b>\$ 271,285.00</b>
<b>Kapiolani Medical Center at Pali Momi</b>	<b>\$ 182,273.00</b>
<b>Kapiolani Medical Center for Women &amp; Children</b>	<b>\$1,346,044.00</b>
<b>Kuakini Medical Center</b>	<b>\$ 144,306.00</b>
<b>Molokai General Hospital</b>	<b>\$ 9,049.00</b>
<b>North Hawaii Community Hospital</b>	<b>\$ 105,858.00</b>
<b>Rehabilitation Hospital of the Pacific</b>	<b>\$ 109,285.00</b>
<b>St. Francis Medical Center-Liliha</b>	<b>\$ 707,079.00</b>
<b>St. Francis Medical Center –West</b>	<b>\$ 366,541.00</b>
<b>Straub Clinic &amp; Hospital</b>	<b>\$ 772,973.00</b>
<b>The Queen’s Medical Center</b>	<b>\$2,634,858.00</b>
<b>Wahiawa General Hospital</b>	<b>\$ 135,784.00</b>
<b>Wilcox Memorial Hospital</b>	<b>\$ 207,347.00</b>

The "direct" payments above to private hospitals are to off-set their losses from uncompensated/charity care for the uninsured/underinsured and Medicaid shortfalls.

The public hospitals do not receive "direct" payments for uncompensated/charity care since these costs have already been paid with State funds to the Hawaii Health Care Systems Corporation (HHSC) and claimed to the Federal government as State matching funds to draw down the Federal funds paid above as direct payments to private hospitals.

The HHCS must be able to certify at least \$13 million annually in State-subsidized losses in order for the same level of federal funding to be available for DHS to continue to make direct payments to private hospitals to help with their

uncompensated/charity losses for the uninsured/underinsured and Medicaid shortfalls.

DHS is also providing Federal funds to the HHSC for its Medicaid shortfalls. Specifically, the amount paid to the HHSC in FY 2006 was \$6.9 million.

**(2) The number of people enrolled in QUEST-ACE:**

This new program is projected to begin enrolling individuals in January 2007, with services to start in March 2007. Therefore, no numbers of actual recipients can be provided at this time.

**(3) The federal benchmarks for QUEST-ACE:**

The Centers for Medicare and Medicaid Services (CMS) approved the following benchmarks in the QUEST 1115 waiver approval:

- The State may impose an enrollment cap in the QUEST-ACE program of 12,000 individuals or more at the State's discretion at any time.
- The Department is targeting to enroll at least 4,500 individuals by July 1, 2007 (no penalty if benchmark not met).
- The Department is targeting to enroll at least 7,500 by July 1, 2008 (no penalty if benchmark not met).

**(4) Measurable statistics of how the QUEST-ACE program is lowering the uninsured population of Hawaii:**

The Department will be using various sources to measure the uninsured population in Hawaii and is in the process of identifying these sources. The sources will be identified by January 2007.