

**35. Chapter 1721 is repealed.**

**36. Chapter 1721.1 is repealed.**

**37. Section 17-1722-5, Hawaii Administrative Rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-5 Provision of coverage. (a) Coverage for a qualified severely impaired individual shall be through enrollment in a [QExA] health plan[.] as described in chapter 17-1720.1."

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[Eff 08/01/94; am 01/31/09; am ] (Auth: HRS §346-14; 42 C.F.R. §431.10; 42 U.S.C. §§1396a(a)(10)(A)(i)(II), 1396d(q)) (Imp: 42 U.S.C. §§1396a(a)(10)(A)(i)(II), 1396d(q))

**38. Section 17-1722-10, Hawaii Administrative Rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-10 Eligibility requirements. A ["qualified medicare beneficiary["] shall meet all of the conditions as follows:

- (1) Entitled to hospital insurance benefits under the medicare program;
- (2) In receipt of income which does not exceed the federal poverty [limit] level for the household of applicable size;
- (3) In possession of assets which do not exceed [two hundred per cent of the personal reserve allowed under] three times the resource limit of the supplemental security income program adjusted by the annual percentage increase in the consumer price index; and[,]
- (4) Required to meet basic eligibility conditions, detailed in chapter [17-1714] 17-1714.1, including[;]:
  - (A) A resident of the State[ of Hawaii];
  - (B) A citizen of the United States or a legal resident [alien] non-citizen;

- (C) Not a resident of a public institution;
- (D) Assign to the department any benefits from a third party for coverage of medical expenses, to the extent of medical costs paid by the department; and
- (E) Furnish a social security number and verification of that number." [Eff 08/01/94; am ] (Auth: HRS §346-14; 42 C.F.R. §435.10; 42 U.S.C. §§1396a(10)(E)(i), 1396d(p)) (Imp. 42 U.S.C. §§1396a(10)(E)(i), 1396d(p))

**39. Section 17-1722-11, Hawaii Administrative rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-11 Treatment of income and assets.  
The income and assets of a qualified medicare beneficiary shall be treated [like the aged and disabled individuals in the medical assistance only program] as [specified] described in chapters [17-1721 and 17-1725, with the exception of the income and personal reserve standards] 17-1724.1 and 17-1725.1"  
[Eff: 08/01/94; am ] (Auth: HRS §346-14; 42 C.F.R. §435.10; §§1396a(a)(10)(E)(i), 1396d(p)) (Imp: 42 U.S.C. §§1396a(a)(10)(E)(i), 1396d(p))

**40. Section 17-1722-13, Hawaii Administrative Rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-13 Effective date of coverage.

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(b) The retroactive provisions under chapter [17-1711] 17-1711.1 do not apply." [Eff 08/01/94; am 01/31/09; am ] (Auth: HRS §346-14; 42 C.F.R §435.10; §§1396a(a)(10)(E)(i), 1396d(p)) (Imp: 42 U.S.C. §§1396a(a)(10)(E)(i), 1396d(p))

**41. Section 17-1722-18, Hawaii Administrative Rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-18 Eligibility requirements.  
[Effective January 1, 1993, a] A specified low income medicare beneficiary shall meet all of the conditions as follows:

- (1) Entitled to hospital insurance benefits under the medicare program;
- (2) In receipt of income which does not exceed [one hundred ten per cent of the federal poverty limit in 1993 and 1994, and] one hundred twenty per cent of the federal poverty level [in 1995 and beyond];
- (3) In possession of assets which do not exceed [two hundred per cent of the personal reserve allowed under] three times the resource limit of the supplemental security income program adjusted by the annual percentage increase in the consumer price index; and[,]
- (4) Required to meet basic eligibility conditions detailed in chapter [17-1714,] 17-1714.1 including:
  - (A) A resident of the State [ of Hawaii];
  - (B) A citizen of the United States or a legal resident [alien] non-citizen;
  - (C) Not a resident of a public institution;
  - (D) [Assign to the department any benefits from a third party for coverage of medical expenses, to the extent of medical costs paid by the department; and
  - (E)] Furnish a social security number and verification of that number." [Eff 08/01/94; am ] (Auth: HRS §346-14; 42 C.F.R. §435.10; 42 U.S.C. §§1396a(a)(10)(E)(iii), 1396d(p)) (Imp: 42 U.S.C. §§1396a(a)(10)(E)(**iii**), 1396d(p), 1395w-114(a)(3)(D))

**42. Section 17-1722-19, Hawaii Administrative Rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-19 Treatment of income and assets.  
The income and assets of a specified low income

medicare beneficiary shall be treated [like the aged and disabled individuals in the medical assistance only program,] as [specified] described in chapters [17-1721 and 17-1725, with the exception of the income and personal reserve standards] 17-1724.1 and 17-1725.1." [Eff 08/01/94; am ]  
(Auth: HRS §346-14; 42 C.F.R. §435.10; 42 U.S.C. §§1396a(a)(10)(E)(ii), 1396d(p)) (Imp: 42 U.S.C. §§1396a(a)(10)(E)(ii), 1396d(p))

**43. Section 17-1722-26, Hawaii Administrative Rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-26 Eligibility requirements. A ["]qualified disabled and working individual["] shall meet all of the following requirements:

- (1) Entitled ["]to enroll["] for hospital insurance benefits under Part A of Medicare based on 42 U.S.C. §1395i-2(a) which requires that the individual:
  - (A) Is not yet sixty-five years of age;
  - (B) Has been entitled to Social Security disability insurance benefits;
  - (C) Continues to have a disabling physical or mental condition;
  - (D) Is found to be ineligible for continued Social Security disability insurance benefits due to earnings exceeding the substantial gainful activity (SGA) limits; and
  - (E) Is not otherwise entitled to Medicare.
- (2) Is in receipt of income which does not exceed two hundred per cent of the [official poverty line,] federal poverty level [as established by the Office of Management and Budget, applicable to a family of the size involved];
- (3) In possession of assets which do not exceed two [hundred per cent of the personal reserve allowed under]times the resource limit of the supplemental security income program;
- (4) Required to meet basic eligibility conditions, as follows:
  - (A) A resident of the State[ of Hawaii];

- (B) A citizen of the United States or a legal resident [alien] non-citizen;
  - (C) Not a resident of a public institution;
  - (D) Assign to the department any benefits from a third party for coverage of medical costs paid by the department; and
  - (E) Furnish a social security number and verification of that number; and
- (5) Not otherwise eligible for medical assistance under Title XIX." [Eff 08/01/94; am ] (Auth: HRS §346-14; 42 C.F.R. §435.10; 42 U.S.C. §1396a(a)(10)(E)(ii), 1396a(p)(3), 1396d(s)) (Imp: 42 U.S.C. §§1396a(a)(10)(E)(ii), 1396a(p)(3), 1396d(s))

**44. Section 17-1722-27, Hawaii Administrative Rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-27 Treatment of income and assets. The income and assets of a qualified disabled and working individual shall be treated [like that of aged and disabled individuals in the medical assistance program,] as [specified] described in chapters [17-1721 and 17-1725, with the exception of the income and personal reserve standards] 17-1724.1 and 17-1725.1." [Eff 08/01/94; am ] (Auth: HRS §346-14; 42 C.F.R. §435.10; 42 U.S.C. §§1396a(a)(10)(E)(ii), 1396a(p)(3), 1396d(s)) (Imp: 42 U.S.C. §§1396a(a)(10)(E)(ii), 1396a(p)(3), 1396d(s))

**45. Section 17-1722-34, Hawaii Administrative Rules, is repealed as follows:**

["§17-1722-34 Definitions. For the purpose of this subchapter:

"Actually" means truly and in fact.

"Pensioner" means those persons who are receiving pensions or retirement payments from the State or counties of the State.

"Solely" means only or purely.

"Third party resource" means any resource or benefits from any source to which an eligible person may be entitled." [Eff08/01/94; R ]  
(Auth: HRS §346-14) (Imp: HRS §§88-4, 346-14)

**46. Section 17-1722-57, Hawaii Administrative Rules, is repealed as follows:**

[ "§17-1722-57 Definitions. For the purposes of this subchapter:

"Cost share" means the monthly payment a member, whose income exceeds one hundred per cent of the FPL, must remit to the department to be eligible for medical assistance in the special group;

"Department" means the department of human services;

"Dependent child" means an individual's natural child, stepchild, legally adopted child, hanai child, who is unmarried and under age nineteen, or unmarried and incapable of support due to mental or physical handicap incurred prior to age nineteen, and is wholly dependent on the individual or the individual's spouse for support and resides in the same dwelling place;

"Disqualification" means the loss of eligibility in the special group;

"Member" means an individual who meets all eligibility requirements of the special group, and for whom all applicable expenditure shares have been paid;

"Family unit" means an individual, or the individual's spouse and the individual's dependent children all of whom reside together in a common dwelling place;

"FPL" means the federal poverty limit that is annually established by the U.S. Department of Health and Human Services;

"SHIP" means the discontinued state health insurance program that was administered by the department of health;

"Special group" means the grandfathered coverage group that was established to provide health coverage

for individuals who were eligible for SHIP who could not participate in QUEST.

"State fiscal year" means the period July 1 through the following June 30 of consecutive calendar years." [Eff 11/13/95; am01/29/96; R ]  
(Auth: HRS §§346-14, 431N) (Imp: HRS §§346-14, 431N)

**47. Section 17-1722-58, Hawaii Administrative Rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-58 Eligibility requirements. (a) Members of this group must have been eligible for SHIP as of July 31, 1994 and would have maintained continued eligibility except for the discontinuance of SHIP, and were not eligible for inclusion in the formerly known QUEST program as of August 1, 1994.

(b) A member of this group shall:

- (1) Be a resident of the State [of Hawaii] who is a citizen of the United States or a legal resident [alien] non-citizen;
- (2) Not be entitled to benefits under the [medicaid] Medicaid program with the exception of those whose eligibility is dependent on a spenddown of income;
- (3) Not be entitled to insurance benefits under the Medicare program;
- (4) Not be entitled to coverage under [CHAMPUS] TRICARE or another federally sponsored program except for benefits under the [native] Native Hawaiian Health Care Act of 1988;
- (5) Not be entitled for insurance benefits under the Hawaii Prepaid Health Care Act; and
- (6) Not have income exceeding three hundred percent of the FPL."

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[Eff 11/13/95; am ] (Auth: HRS §§346-14, 431N; 42 U.S.C. §§11701 - 11714) (Imp: HRS §§346-14, 431N; 42 U.S.C. §§11701 - 11714)

**48. Section 17-1722-70, Hawaii Administrative Rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-70 Eligibility requirements. A qualifying individual shall be:

- (1) Entitled to hospital insurance benefits under the Medicare program;
- (2) In receipt of income which exceeds one hundred twenty per cent of the federal poverty [limit] level but does not exceed one hundred thirty-five per cent of the federal poverty [limit] level;
- (3) In possession of assets which do not exceed [two hundred per cent of the personal reserve allowed under] three times the resource limit of the supplemental security income program adjusted by the annual percentage increase in the consumer price index; and[,]
- (4) Required to meet basic eligibility conditions detailed in chapter [17-1714] 17-1714.1, including:
  - (A) A resident of the State [of Hawaii];
  - (B) A citizen of the United States or a qualified [alien] non-citizen;
  - (C) Not a resident of a public institution; and
  - (D) [Assign to the department any benefits from a third party for coverage of medical expenses, to the extent of medical costs paid by the department; and
  - (E)] Furnish a social security number and verification of that number." [Eff 05/02/98; am 01/31/09; am ] (Auth: HRS §346-14; 42 C.F.R. §435.10; 42 U.S.C. §§1396a(a)(10)(E)(IV), 1396d(p)) (Imp: 42 U.S.C. §§1396a(a)(10)(E)(IV), 1396d(p))

**49. Section 17-1722-71, Hawaii Administrative Rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-71 Treatment of income and assets.  
The income and assets of a qualifying individual shall be treated [like an aged or disabled individual in the medical assistance only program,] as [specified] described in chapters [17-1721 and 17-1725, with the exception of the income and personal reserve standards] 17-1724.1 and 17-1725.1." [Eff 05/02/98; am ] (Auth: HRS §346-14; 42 C.F.R. §435.10; 42 U.S.C. §§1395w-114(a)(3)(D), (1396a(a)(10)(E)(IV), 1396d(p)(3)(A)(ii)) (Imp: 42 U.S.C. §§1395w-114(a)(3)(D), (1396a(a)(10)(E)(IV), 1396d(p)(3)(A)(ii))

**50. Section 17-1722-79, Hawaii Administrative Rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-79 Eligibility requirements.  
Effective July 1, 1997, a disabled child eligible for this group shall meet all of the following conditions:

- (1) The child lost SSI benefits because of the enactment of section 211(a) the Personal Responsibilities and Work Opportunity Reconciliation Act of 1996;
- (2) The child would continue to be [be] eligible for SSI but for the enactment of that section; and
- (3) The child shall meet basic eligibility conditions detailed in chapter [17-1714] 17-1714.1, including:

- (A) A resident of the State [of Hawaii];
- (B) A citizen of the United States or a legal resident [alien] non-citizen;
- (C) Not a resident of a public institution;
- (D) Assign to the department any benefits from a third party for coverage of medical expenses, to the extent of medical costs paid by the department; and
- (E) Furnish a social security number and verification of that number." [Eff 05/02/98; am ] (Auth: HRS §346-14; 42 C.F.R. §435.10) (Imp: 42 U.S.C. 1396a(a)(10)(A)(i)(II))

**51. Section 17-1722-80, Hawaii Administrative Rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-80 Treatment of income and assets. The income and assets of a child in this group shall be treated [like an aged or disabled individual in the medical assistance only program,] as [specified] described in chapters [17-1721 and 17-1725] 17-1724.1 and 17-1725.1." [Eff 05/02/98; am ]  
(Auth: HRS §346-14; 42 C.F.R. §435.10) (Imp: 42 U.S.C. 1396a(a)(10)(A)(i)(II))

**52. Section 17-1722-81, Hawaii Administrative Rules, is amended to perform housekeeping measures and read as follows:**

"§17-1722-81 Provision of coverage. Coverage for individuals eligible for assistance in this subchapter will be provided through enrollment in a [QExA] health plan [per] in accordance with chapter [17-1721.1] 17-1720.1." [Eff 05/02/98; am 01/31/09; am ] (Auth: HRS §346-14; 42 C.F.R. §435.10; 42 U.S.C. §1396a(a)(10)(A)(i)(II)) (Imp: 42 U.S.C. §1396a(a)(10)(A)(i)(II))

**53. Section 17-1722-87, Hawaii Administrative Rules, is repealed as follows:**

["§17-1722-87 Definitions. For the purpose of this subchapter:

"CMS" means the Centers for Medicare and Medicaid Services.

"Cost-sharing related to Medicare part D" means any premiums, deductibles, co-payments, co-insurance, and any cost incurred within the Part D coverage gap

"Deemed eligible" means an individual who is automatically eligible for the Low Income Subsidy program. These individuals are those who are:

- (1) Eligible for both Medicare and Medicaid;
- (2) Supplemental security income recipients; or

(3) Eligible for the Medicare savings programs.

"FPL" means the federal poverty level.

"Full benefit dual eligible" means an individual who is eligible for both Medicare and Medicaid.

"LIS" means the Low Income Subsidy program that assists with the cost of the monthly premiums and cost-sharing related to Medicare Part D.

"Low income benchmark premium amount" means the minimum monthly premium that is charged for the standard prescription drug coverage under Part D by the CMS approved prescription drug plans.

"Medicare savings programs" means the QMB, SLMB and the QI programs.

"MMA" means the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

"Non-dual eligible" means an individual who does not meet the definition of a full benefit dual eligible.

"Non-deemed eligibles" means individuals who are not automatically eligible and must apply for the low income subsidy assistance.

"PACE" means a Program of All-Inclusive Care for the Elderly authorized by the Balanced Budget Act of 1997 that provides a comprehensive service delivery system.

"SSA" means the Social Security Administration.

"SSI" means the Supplemental Security Income program that provides cash assistance to eligible beneficiaries." ] [Eff 12/26/05; R ]

(Auth: HRS §346-14) (Imp: 42 C.F.R. §423.774; 423.904; Pub. L. 108-173)

**54. Section 17-1722-117, Hawaii Administrative Rules, is repealed as follows:**

[ "§17-1722-117 Definitions. For the purpose of this chapter:

"Benchmark prescription drug plan" means the Medicare Prescription Drug Plan (PDP) or the Medicare Advantage-Prescription Drug (MA-PD) plan that meets

the regional low-income benchmark premium amount established by CMS.

"CMS" means Center of Medicare and Medicaid Services.

"Co-insurance" means the amount that a beneficiary or a member must pay, usually a percentage, of the cost of a service.

"Co-payment" means the amount that a beneficiary or member must pay, usually a fixed amount, of the cost of a service.

"Medicare Advantage - Prescription Drug (MA-PD) Plan" means a health plan approved by Medicare and run by private companies. This plan must provide all Part A and Part B services and may offer additional services including Part D drug coverage. MA-PD plans include: Medicare Preferred Provider Organizations (PPO), Medicare Health Maintenance Organizations (HMO), Medicare Private Fee-for-Service (PFFS) plans, Medicare Medical Savings Account (MSA) plans and Medicare Special Needs Plans (SNP).

"MMA" means the Medicare Prescription Drug, Improvement and Modernization Act of 2003.

"Medicare Part D Prescription Drug Benefit Program" means the federal prescription benefit provided under the Medicare Modernization Act.

"PDP" means prescription drug plan.

"Prescription drug plan" means a plan provided by non-governmental entities under contract with the federal Centers for Medicare and Medicaid Services to provide prescription benefits under the MMA.

"QMB" means Qualified Medicare Beneficiaries".

"SLMB" means Specified Low Income Medicare Beneficiary." ] [Eff 12/29/05; am 02/18/08; R ] (Auth: SLH 2005, Act 209; SLH 2006, Act 264) (Imp: SLH 2005, Act 209; SLH 2006, Act 264)

**55. Section 17-1722-146, Hawaii Administrative Rules, is repealed as follows:**

[ "§17-1722-146 Definitions. For the purpose of this subchapter:

"DAC" means a blind or disabled individual who is age eighteen or older and who is receiving OASDI benefits as a dependent adult child of a beneficiary who is a parent, stepparent, grandparent or legal guardian of the individual.

"OASDI" means Old-Age, Survivors, and Disability Insurance benefits authorized under Title II of the Social Security Act and administered by the Social Security Administration.

"SSI" means Supplemental Security Income, a financial assistance program for aged, blind, or disabled individuals authorized under Title XVI of the Social Security Act and administered by the Social Security Administration.

"SSP" means State Supplemental Payments, a payment provided by the state to certain aged, blind, or disabled individuals in domiciliary care living arrangements.]" [Eff 09/10/09; R ]  
(Auth: HRS §346-14; 42 C.F.R. §435.10) (Imp: 42 U.S.C. §1383c(c))



**56. Chapter 17-1722.1 is repealed.**

**57. Chapter 17-1722.2 is repealed.**

**58. Section 17-1722.3-1, Hawaii Administrative Rules, is amended to read as follows:**

"§17-1722.3-1 Purpose. This chapter is established to provide, subject to the availability of state funding, state [funded] medical assistance for citizens of COFA nations and legal permanent residents admitted to the United States for less than five years who are age nineteen years and older and lawfully [resident in Hawaii.] present in the State. [These individuals are not eligible for federal medical assistance as a result of implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.] Except as otherwise specifically provided herein, this chapter supersedes any and all state medical assistance provided to such individuals through the former QUEST, QExA, QUEST-Net, or QUEST-ACE programs, or the fee-for-service[7] or SHOTT programs prior to the implementation date of Basic Health Hawaii." [Eff 04/01/10; am ] (Auth: HRS §346-14)  
(Imp: HRS §346-14)

**59. Section 17-1722.3-2, Hawaii Administrative Rules, is repealed as follows:**

["§17-1722.3-2 Definitions. As used in this chapter:

"§1915(c) program" means a program established under section 1915(c) of the Social Security Act that provides home and community based services to eligible participants.

"Basic Health Hawaii" means the State funded medical assistance program described in this chapter.

"Benefit year" means a continuous twelve month period generally following an open enrollment period.

"Capitated payment" means a fixed monthly payment paid per person by the department to a participating health plan for which the health plan provides a defined set of benefits.

"COFA nation" means the Federated States of Micronesia, Republic of the Marshall Islands, or Republic of Palau, which have entered into Compacts of Free Association with the United States that allow citizens of these nations to travel, work, and reside in the United States without visa requirements or durational limits. Citizens of these nations do not meet the definition of a qualified alien. The Compacts do not include any agreement regarding the provision of medical care or medical assistance by a state.

"Deemed individual" means an individual who meets the requirements of subchapter 4 and is allowed to enroll in Basic Health Hawaii without filing a new application for medical assistance.

"Effective date of eligibility" means the date on which health care services shall be covered either through fee-for-service reimbursement by the department, its fiscal agent, or through enrollment in a participating health plan.

"Effective date of enrollment" means the date as of which a participating health plan is required to provide benefits to an enrollee.

"Enrollee" means an individual who has selected or is assigned by the department to be a member of a participating health plan.

"Federal medical assistance" means medical assistance in accordance with the State plan under Title XIX, or in accordance with a demonstration under Title XI of the Social Security Act.

"Financial assistance" means cash assistance provided by the Department of Human Services.

"Health plan" means an insurance company or other organization, which provides different health care benefit packages to one or more groups of enrollees.

"Implementation date" means the date determined by the department, but no later than July 1, 2010, when participating health plans begin delivering Basic Health Hawaii benefits to enrollees.

"Legal permanent resident" means an alien who is lawfully admitted as a permanent resident under the Immigration and Nationality Act.

"Managed care" means a method of health care delivery that integrates the financing, administration, and delivery of health services, or a coordinated delivery system made up of pre-established networks of health care providers providing a defined package of benefits under pre-established reimbursement arrangements.

"Non-returning plan" means a participating health plan that will not have its contract with the department renewed.

"Open application period" means the only period during which applications shall be accepted from individuals subject to a specified duration and the statewide enrollment limit.

"Open enrollment period" previously known as "annual plan change period" means a period when an eligible individual is allowed to change from one to another participating health plan."

"Participating health plan" means a health plan contracted by the State to provide medical services through managed care in Basic Health Hawaii.

"Personal reserve standard" means the maximum amount of countable assets that may be held by an individual, a family, or a household while establishing or maintaining eligibility for medical assistance.

"QUEST" means the QUEST program that delivers medical and behavioral health services through health plans employing managed care concepts, to certain individuals who are not aged, blind or disabled.

"QUEST-ACE" means the QUEST-Adult Coverage Expansion program that delivers limited medical and behavioral health services through health plans employing managed care concepts.

"QUEST-Net" means the QUEST-Net program that delivers medical and behavioral health services through health plans employing managed care concepts.

"Service area" means the geographical area defined by zip codes, census tracts, or other geographic subdivisions that is served by a participating health plan as defined in the plan's contract with the department.

"SHOTT" means the State of Hawaii Organ and Tissue Transplant program.

"State medical assistance" means state funded medical assistance provided to eligible individuals through the QUEST, QUEST Expanded Access, QUEST-Net, QUEST-ACE, fee-for-service and SHOTT programs who are not eligible for federal medical assistance.

"Transition period end date" means the last day of the second month following the implementation date." ] [Eff 04/01/10; am 00/00/13; R ]  
(Auth: HRS §346-14) (Imp: HRS §346-14)

**60. Section 17-1722.3-7, Hawaii Administrative Rules, is amended by amending subsection (b) to read as follows:**

"§17-1722.3-7 Eligibility requirements.

\*\*\*

- (b) An individual who is not eligible to participate under this chapter includes a person who:
- (1) Does not meet the requirements of subsection (a);
  - (2) Does not meet the financial eligibility requirements described in this chapter;
  - [(3) Is employed and is eligible for coverage under an employer sponsored health plan, with the exception of a financial assistance recipient and an individual who is participating in a department subsidized employment program;]
  - (4)] (3) Is eligible for coverage under a health plan as an active military enlistee, a retired military personnel, or a dependent

of an active or retired military enlistee;  
or

[(5)] (4) Is eligible for, or receiving, coverage  
under any health plan. [Eff 04/01/10;  
am ] (Auth: HRS §346-14)  
(Imp: HRS §346-14)

**61. Section 17-1722.3-8, Hawaii Administrative  
Rules, is amended to read as follows:**

"§17-1722.3-8 Treatment of income and assets.

[(a)] When determining financial eligibility for Basic  
Health Hawaii, the provisions for treatment of income  
and assets [in the Hawaii QUEST program] described in  
chapters [17-1724] 17-1724.1 and [17-1725,] 17-1725.1,  
respectively, shall apply.

[(b)] When determining financial eligibility for  
Basic Health Hawaii, the definitions of financial  
support and responsibilities in the Hawaii QUEST  
program described in chapter 17-1724 shall apply.]"  
[Eff 04/01/10, am ] (Auth: HRS §346-  
14) (Imp: HRS §346-14)

**62. Section 17-1722.3-10, Hawaii Administrative  
Rules, is amended by amending subsection (b) to read  
as follows:**

"§17-1722.3-10 Limitations to statewide enrollment  
in participating health plans.

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(b) During the open application period,  
applicants shall submit their application to the [med-  
QUEST division] department and the following shall  
apply:

(1) Applications shall be processed in the  
chronological order of their receipt by the [med-QUEST  
division] department;

(2) Applications shall be processed in the  
following manner depending on the method used in  
subsection (a):

- (A) If for a specified duration, all applications received after the specified duration shall be denied; and
  - (B) If up to a statewide enrollment limit, all pending applications received during the open application period shall be denied when the number of individuals that have been determined eligible, when enrolled in a participating health plan, would meet the; and
- (3) Applications pending more than 45 days before a denial notification is issued shall not be subject to the provisions of subsection [17-1711-13(i)] 17-1711.1-32(e)."

\*\*\*

[Eff 04/01/10; am 04/12/13; am ]

(Auth: HRS §346-14) (Imp: HRS §346-14)

**63. Section 17-1722.3-28, Hawaii Administrative Rules, is amended by amending subsections (a) and (b) to read as follows:**

"§17-1722.3-28 Long-term care provisions. (a) An individual age nineteen years or older receiving state medical assistance for long-term care services on the last day of the second month prior to the implementation date, shall:

- (1) Be enrolled in a [QExA] participating health plan and receive state funded long-term care services, either through a [QExA] participating health plan or through a program that provides benefits similar to a 1915(c) program; and
- (2) Continue to receive the benefits as described in (1) under the following conditions:
  - (A) The individual maintains continuous categorical and financial eligibility [for QExA] as described under chapter [17-1721] 17-1719; and

- (B) The individual maintains continuous eligibility for coverage of long-term care services.
- (b) An individual under age nineteen years and receiving [federal medical assistance] Medicaid for long-term care services in a nursing facility on the last day of the second month prior to the implementation date, if continuously receiving [federal medical assistance] Medicaid for long-term care services until turning age nineteen years, shall upon turning age nineteen years:
- (1) Be enrolled in a [QExA] participating health plan and receive state funded long-term care services; and
  - (2) Continue to receive the benefits as described in paragraph (1) under the following conditions:
    - (A) The individual maintains continuous categorical and financial eligibility [for QExA] as described under [chapters 17-1721, 17-1721.1, or 17-1732] chapter 1719; and
    - (B) The individual maintains continuous eligibility for coverage of long-term care services."

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[Eff 04/01/10; am ] (Auth:  
HRS 346-14) (Imp: HRS §346-14)

**64. Section 17-1722.3-33, Hawaii Administrative Rules, is amended by amending subsection (a) to read as follows:**

"§17-1722.3-33 Individuals deemed into Basic Health Hawaii. (a) A citizen of a COFA nation age nineteen years or older shall be deemed into Basic Health Hawaii effective on the implementation date if the individual:

- (1) Was eligible for and was receiving state medical assistance through the former QUEST, QExA, QUEST-Net, or QUEST-ACE programs, or

the Medicaid fee-for-service[7] or SHOTT programs on the last day of the second month prior to the implementation date;

- (2) Maintained continuous eligibility for state medical assistance through the last day of the month prior to the implementation date;
- (3) Was not receiving long-term care services on the last day of the second month prior to the implementation date; and
- (4) Was not participating in the SHOTT program or was participating in the SHOTT program, but had not received an organ or tissue transplant as of the last day of the second month prior to the implementation date."

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[Eff 04/01/10; am 08/06/10; am ] (Auth: HRS §346-14) (Imp: HRS §346-14)