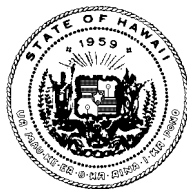


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'ŌKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'ŌKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'ŌKELE

Dir 23.89

December 26, 2023

The Honorable Ronald D. Kouchi, President
and Members of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

Enclosed is the following Report on Providing Certain Health Insurance Coverage for All Children and Pregnant Persons Who Would Otherwise Qualify for Coverage If Not for Their Immigration Status, relating to Senate Concurrent Resolution 183, House Draft 1 (2023).

In accordance with section 93-16, HRS, the report is available to review electronically at the Department's website, at <https://humanservices.hawaii.gov/reports/legislative-reports/>.

Sincerely,

A handwritten signature in black ink, appearing to read "Cathy Betts".

Cathy Betts
Director

Enclosure

c: Governor's Office
Lieutenant Governor's Office
Department of Budget & Finance
Legislative Auditor
Legislative Reference Bureau Library (1 hard copy)
Hawaii State Public Library, System State Publications Distribution Center (2 hard copies, one electronic copy)
Hamilton Library, Serials Department, University of Hawaii (1 hard copy)

REPORT TO THE THIRTY-SECOND LEGISLATURE 2024 REGULAR SESSION

A Report on Providing Certain Health Insurance Coverage for All Children and Pregnant Persons Who Would Otherwise Qualify for Coverage If Not for Their Immigration Status, relating to Senate Concurrent Resolution 183, House Draft 1 (2023)

Med-QUEST Division
The Department of Human Services
December 2023

The State of Hawaii’s Thirty-Second Legislature provided Senate Concurrent Resolution 183 House Draft 1 (2023) (SCR 183) requesting the Department of Human Services (DHS) to:

- study providing certain health insurance coverage for all children and pregnant persons who would otherwise qualify for coverage if not for their immigration status;
- that the study includes the health care opportunities, resources, and costs relating to providing the described coverages;
- that DHS engage applicable stakeholders in the study, including immigrant health care providers, social service providers, and advocacy groups; and
- that DHS submit a report regarding the findings of the study, including any proposed legislation, to the Legislature.

The Department of Human Services, Med-QUEST Division (MQD) participated in a listening session with a coalition of community stakeholders, including immigrant health care providers, social service providers, and immigrant advocacy groups. Those gathered advocated powerfully for the importance of health coverage for Hawaii's immigrant community. Participants shared stories of uninsured families faced with illness having to endure “needless suffering until emergency care is needed” and pregnant mothers without health insurance growing despondent as their due date nears, having gone without any pre-natal care and uncertainty about where or how their delivery will go. There was also a call for recognizing our shared humanity and interconnectedness and articulating that when we improve health care access and outcomes for any Hawaii resident, we improve our collective health as a state. Importantly, there was also the acknowledgment that the very nature of an individual’s immigration status can sometimes act as a barrier to seeking even emergency access for fear of being reported by hospital staff to immigration authorities.

A study¹ published by the Kaiser Family Foundation (KFF) recognizes that,

“Noncitizen immigrants have high uninsured rates because they have more limited access to private coverage due to working in jobs that are less likely to provide health benefits and face eligibility restrictions for federally funded coverage options[.]”

That same report also noted that,

¹ Key Facts on Health Coverage of Immigrants, Kaiser Family Foundation, September 2023, see at <https://www.kff.org/racial-equity-and-health-policy/fact-sheet/key-facts-on-health-coverage-of-immigrants/#:~:text=Noncitizen%20immigrants%20are%20more%20likely,includin%20Medicaid%2C%20the%20C%20hildren's%20Health>, Note: This content was updated on December 20, 2023 to include data from the 2022 American Community Survey (ACS).

“Research suggests that state coverage expansions for immigrants can reduce uninsurance rates, increase health care use, and improve health outcomes.”

KFF used data from California, where coverage of low-income children regardless of immigration status has been in effect since 2016 and noted that this coverage,

“was associated with a [34%](#) decline in uninsurance rates among children who are not citizens; similarly, a [study](#) found that children who reside in states that have expanded coverage to all children regardless of immigration status were less likely to be uninsured, to forgo medical or dental care, and to go without a preventive health visit than children residing in states that have not expanded coverage. Other research has found that expanding Medicaid pregnancy coverage regardless of immigration status was associated with higher rates of prenatal care utilization, postpartum care utilization, as well as [improved outcomes](#) including increases in average gestation length and birth weight among newborns.”

DHS believes there is a clear benefit to the State to ensure all residents, regardless of immigration status, have access to health care. There are currently several options that MQD is exploring to address the specific populations identified in SCR 183.

- **Pregnant Persons**

There is an opportunity to leverage the Unborn Children Children's Health Insurance Program (CHIP) State Plan option. This Medicaid option allows states to cover the unborn child of pregnant persons who are not traditionally eligible for coverage due to their immigration status. This option is supported with a federal matching rate of just over 69%. The unborn child option includes a 60-day postpartum period for the pregnant person, and states have the option to implement a 12-month postpartum period using a Health Services Initiative (HSI) for extended postpartum coverage.

For reference, Oregon implemented the 12-month postpartum period for those eligible in the unborn child program through an HSI. The HSI allows for federal match dollars through using a portion of a state's existing CHIP administrative dollars — CHIP administrative expenditures are limited to no more than 10 percent of a state's total CHIP spending and are limited based on the amount of available CHIP dollars.

- **Children**

- **Option 1: HSI**

States can develop HSIs through their CHIP program to improve the health of low-income children and youth. An HSI can be used to provide coverage to low-income children who are not

eligible for traditional Medicaid or CHIP due to their immigration status. There are limitations associated with using an HSI. HSIs are funded using a portion of a state's existing CHIP administrative dollars — CHIP administrative expenditures are limited to no more than 10 percent of a state's total CHIP spending and are limited by the amount of CHIP dollars available. We note that MQD has one current HSI and another being proposed, so further analysis would be needed to assess how much, if any, remaining funding is available for this option.

If choosing the HSI option, the following items will need to be reported to CMS:

- the population served by the HSI;
- the number of children served by the HSI;
- the percent of low-income children who are below the CHIP income eligibility threshold in the state served by the HSI program;
- a state-defined reporting metric for each HSI to measure its effect on the health of low-income children; and
- the corresponding outcome for the state-defined metric.

Option 2: State Funded

States do have the option to cover immigrant children who do not meet the immigration criteria for Medicaid or CHIP using state-only funds. This option does not require CMS approval or reporting but is a larger financial commitment from the state to fund the benefits. Several states, like Illinois, California, New York, and Oregon, use state-only funds to cover all children regardless of immigration status.

Population estimates for coverage are difficult to quantify by the very nature of the population this coverage seeks to serve. The best estimate we have at this time for our pregnant population that would benefit on an annual basis from this coverage is 500. This estimate is based on a combination of data from Laulima Hospitalization Discharge Data, which indicates between 125-170 pregnant persons “self-pay” for their births each year, which we can use as a proxy for potentially uninsured. We also have data from the Pregnancy Risk Assessment Monitoring System (PRAMS) that estimates anywhere between 100 – 900 pregnant persons each year are uninsured at some point during their pregnancy, and finally, data from Med-QUEST's Emergency Services program that serves about 15 uninsured pregnant persons each year.

For the estimates of children who may benefit, we can use 4,000, which is the total number of undocumented children between 3 and 17 enrolled as students in the Migration Policy Institutes' Profile on the Unauthorized Population in Hawaii (Institute, 2019).

Based on the estimates of 500 pregnant persons and 4,000 children, we estimate the following approximate costs to support their health insurance coverage:

Category	# per year	Approximate Per Member Per Month Cost	Annual cost for population	Federal Dollars at 69% FMAP	State Funds
Pregnant Persons	500	\$400	\$2,400,000	\$1,656,000	\$744,000
Pregnant Persons Additional 10 Months Post-Partum	500	\$400	\$2,000,000	\$1,380,000* HSI	\$620,000
Children (HSI Option)	4,000	\$200	\$9,600,000	\$6,624,000* HSI	\$2,976,000
Children (State Funded)	4,000	\$200	\$9,600,000	NA	\$9,600,000

**The HSI allows for federal match dollars through using a portion of a state’s existing CHIP administrative dollars — CHIP administrative expenditures are limited to no more than 10 percent of a state’s total CHIP spending and are limited based on the amount of available CHIP dollars. Therefore, these may exceed the HSI threshold.*

DHS supports that state investment in the health and wellbeing of its residents is essential to a Healthy Hawaii. Moreover, this population contributes to the economy in significant ways. The American Immigration Council (Council, 2020) has reported that Immigrants in Hawaii have contributed billions of dollars in taxes:

- [Immigrant-led households in the state paid](#) \$1.7 billion in federal taxes and \$960.7 million in state and local taxes in 2018.
- Undocumented immigrants in Hawaii paid an estimated \$65.3 million in federal taxes and \$47.6 million in [state and local taxes](#) in 2018.
- [DACA recipients](#) and DACA-eligible individuals in Hawaii paid an estimated \$2.5 million in state and local taxes in 2018.

DHS looks forward to continuing to discuss with all stakeholders to co-create a path forward for equitable health insurance coverage and access, beginning with the populations addressed in SCR183.

Supporting Regulations

Section 2105(a)(1)(D)(ii) of the Social Security Act; 42 CFR 457.10; see [FAQs on Health Services Initiatives](#)

References

Council, A. I. (2020, September 2). *Immigrants in Hawaii*. Retrieved from American Immigration Council: <https://www.americanimmigrationcouncil.org/research/immigrants-in-hawaii>

Foundation, K. F., [https://www.kff.org/racial-equity-and-health-policy/fact-sheet/key-facts-on-health-coverage-of-immigrants/#:~:text=Noncitizen%20immigrants%20are%20more%20likely,includin%20Medicaid%20the%20Children's%20Health,Note:This%20content%20was%20updated%20on%20December%2020%2C%202023%20to%20include%20data%20from%20the%202022%20American%20Community%20Survey%20\(ACS\)](https://www.kff.org/racial-equity-and-health-policy/fact-sheet/key-facts-on-health-coverage-of-immigrants/#:~:text=Noncitizen%20immigrants%20are%20more%20likely,includin%20Medicaid%20the%20Children's%20Health,Note:This%20content%20was%20updated%20on%20December%2020%2C%202023%20to%20include%20data%20from%20the%202022%20American%20Community%20Survey%20(ACS))

Institute, M. P. (2019). *Profile of the Unauthorized Population: Hawaii*. Retrieved from Migration Policy Institute: <https://www.migrationpolicy.org/data/unauthorized-immigrant-population/state/HI>