



Quarter of Hawaii's population now on Medicaid

By Malia Zimmerman
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HONOLULU — New statistics released by the state Department of Human Services show about a quarter of Hawaii's population relies on Medicaid.

Of Hawaii's 1.3 million people, some 320,000 qualify for the government health-care program.

According to the state Department of Human Services, the number of people on federal health-care subsidies in Hawaii has jumped since the implementation of the Affordable Care Act in Hawaii in October.

State figures show net enrollment increased 12 percent between Oct. 1 and June 30.

“The target is for all Hawaii residents to have health insurance. As an entitlement program, Medicaid plays an important role,” said Kayla Rosenfeld, a state Department of Human Services spokeswoman.

The Medicaid program is jointly funded by the federal government and states, according to Medicaid.gov, with the federal government paying states for a specified percentage of program expenditures — the Federal Medical Assistance Percentage. The percentage varies by state based on criteria such as per capita income, averaging about 57 percent but going as high as 82 percent.

Criteria for Medicaid recipients depends on the eligibility group, which can include children, pregnant women, parents and other caretaker relatives, adults, individuals determined on the basis of being aged, blind, or disabled, Rosenfeld said.

Under new federal guidelines established under President Obama, recipients have no limits on assets, but for the new eligibility group authorized under the ACA, adults must have an income at or below 138 percent of the federal poverty level, Rosenfeld said.

To handle the expected boom in enrollment under the Affordable Care Act, the Department was awarded a \$100 million federal grant to build an “eligibility system” to process the applications.

The state hired KPMG, which built the online web portal KOLEA, enhanced the State’s IT infrastructure and added new functionality such as document imaging. The state contracted with the company to perform maintenance and operations over the next two years.

While state legislators said Tuesday in a House hearing they’ve gotten complaints about the system, Rosenfeld said KOLEA processed 250,000 individual eligibility determinations and redeterminations between Oct. 1 and June 30.

Timeliness in processing applications has also improved, Rosenfeld said, noting as of June the average application approval takes 13 days, compared with 32 days in previous months.

The state has appropriated another \$400,000 for the program for this fiscal year to enhance DHS operations and policies surrounding security for the system, including determining who should have access, Rosenfeld said. The state has issued a request-for-information proposal to solicit private bidders on the project.

Hawaii’s political landscape is largely dominated by Democrats, which control the state administration, the Legislature and its congressional seat. There are no Republicans in Congress and just eight in a state Legislature of 76 . The majority of Hawaii’s elected politicians believe heavy dependence on Medicaid is a positive step for Hawaii; their goal is to eliminate the state’s remaining 6 percent who are uninsured.

Other federal and state subsidies are heavily used in Hawaii, including SNAP or food stamps. As of June, 194,865 people and 99,320 households received SNAP benefits, Rosenfeld said.

An August 2013 report by Cato Institute, which examines the state-by-state value of welfare for a mother of two, said benefits in Hawaii average \$49,175 — tops in the nation.

Michael Tanner, co-author of the Cato study, said that since welfare isn’t taxed, a person would have to earn \$60,590 in Hawaii to take home the \$49,175 for someone on welfare.

Part of the plan for the Department’s new and improved eligibility system web portal – and the state’s Obamacare web site, HawaiiHealthConnector.com — involves qualifying even more people for Medicaid and other government benefits through a one-stop shop.