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U.S. SUPREME COURT DECISION ALLOWS REDUCTION OF HEALTHCARE COVERAGE TO NONCITIZENS

STATE WILL CONTINUE CERTAIN BENEFITS

HONOLULU – Attorney General David M. Louie and Director of Human Services Patricia McManaman jointly announced today that a decision by the U.S. Supreme Court validates the state's authority to determine the level of health care coverage provided to noncitizens who are ineligible for federal Medicaid. The high court's decision also confirms that the state did not discriminate when it exercised that authority in 2010.

On Monday, Nov. 3, 2014, the U.S. Supreme Court rejected plaintiffs' appeal in Korab v. McManaman, which leaves intact the Ninth Circuit Court of Appeals decision in favor of the state. That decision found the state was not required provide state-funded medical assistance benefits to noncitizens after the federal Medicaid program excluded them.

The federal Welfare Reform Act of 1996 eliminated federal health care funding for many noncitizens, including migrants from Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia. These island nations have a Compact of Free Association (COFA) with the United States that allows their citizens to live and work in the U.S. Even after federal funds were not available, the state continued state-funded medical assistance benefits for COFA residents. The benefits provided were essentially the same as citizens received under federal Medicaid until 2010 when the state sought to implement a more limited program for noncitizens. Plaintiffs in the Korab case are noncitizen COFA residents whose benefits would have been reduced under the 2010 program. Federal District Court Judge Michael Seabright sided with the plaintiffs and issued an injunction blocking implementation of the program in 2010.

The Ninth Circuit Court of Appeals reversed the decision of the District Court earlier this year, and held that Hawaii is not required to replace the federally-funded health care benefits that were lost under the federal Welfare Reform Act. The state has remained

subject to the injunction pending the decision by the U.S. Supreme Court, and expects the Federal District Court to dissolve the injunction shortly.

According to Attorney General Louie, "This decision is important because it confirms that the state's actions were not discriminatory. But it is also important to know that the state intends to continue providing significant assistance to these individuals."

"My administration is committed to the principle that all Hawaii residents should have health insurance," said Gov. Neil Abercrombie. "The state will strive to ensure that our neediest residents, including noncitizens, have access to quality health care coverage."

According to Director McManaman, "The state's plan going forward includes a program that provides Medicaid-like coverage to our neediest aged, blind, and disabled noncitizens. Coverage for children and pregnant adults will remain unchanged. The plan also includes a transition period for other non-pregnant adult noncitizens to obtain health insurance through the Hawaii Health Connector, and a state-funded program to help these very low-income noncitizens pay their share of their health insurance premiums. This ensures that needy noncitizens who are ineligible for Medicaid still have access to quality, affordable health insurance."

Adult noncitizens who are not pregnant, and are not aged, blind, or disabled, and who were eligible beneficiaries under the injunction, will continue to receive their current level of benefits until the new programs are implemented. Those beneficiaries will soon receive a notice in the mail explaining the changes, and they should contact the Department of Human Services at the number provided on the notice if they have any questions.

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