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March 16, 2015

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services and Housing

The Honorable Josh Green, M.D., Chair
Senate Committee on Health

FROM: Rachael Wong, DrPH, Director

SUBJECT: **H.B. 1161 HD1 - RELATING TO HEALTH**

Hearing: Tuesday, March 17, 2015; 1:45 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of this bill is to appropriate funds to the Department of Human Services to restore basic adult dental benefits to Medicaid enrollees and to provide outreach and eligibility services for individuals and families at Federally Qualified Health Centers. Appropriates funds from the community health centers special fund to establish health homes.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this measure that would fund the restoration of adult dental benefits; fund out-stationed eligibility workers; and fund the establishment of a health home program. These initiatives are supportive of our overall goals and objectives, but we are concerned about the cost implications generated by the proposal and that passage of the bill may replace or adversely impact the priorities in the Executive Budget.

Section 3 requests an appropriation of \$4,800,000 to restore basic adult dental benefits to Medicaid enrollees. The Department estimates that re-establishing an adult dental program for Med-QUEST adults to provide dental benefits up to \$500 per person per benefit year and also provide medically needed dentures up to \$500 each for upper and lower dentures would cost a total of \$12,464,103 of which it would require \$4,799,926 in general funds.

The DHS has reviewed and consulted with the Department of the Attorney General on the Ninth Circuit Court's 2013 decision in the California Association of Rural Health Clinics v. Douglas, and have concluded that this case does not require states to reimburse the Rural Health Clinics (RHC) or Federally Qualified Health Centers (FQHC) for basic adult dental services that are provided, unless the state opts to cover it under their Centers for Medicare and Medicaid Services (CMS) approved State plan. We maintain our position that the basic adult dental services sought to be restored is optional services pursuant to 42 U.S.C. section 1396a(a)(10) and 42 CFR part 440, subpart B, which authorizes states to limit the medical assistance (which includes RHC and FQHC services), provided in its State plan by determining the amount, duration, and scope of services.

Section 4 of this measure requests \$ 800,000 to provide outreach and eligibility services at Federally Qualified Health Centers (FQHCs). The DHS, in its base budget under HMS 902 - General Support for Health Care Payments, has \$667,000 to continue funding 23 out-stationed eligibility workers (OEWs) at FQHCs and hospitals. Additional funding can increase the amount of outreach activities.

Section 5 of the bill requests an appropriation of \$1,000,000 to establish health homes with funds transferred from the Department of Health's community health centers

special fund. These funds can be used to pay for the health home services and receive 90% matching federal funding.

In the similar measure, S.B. 908 SD1, the Senate Joint Committees on Human Services and Housing and Health added Section 6 to the bill providing an appropriation of \$1 million in general funds in each year of the biennium to enable the DHS to administer the two-year health home program, which can receive 50% federal matching funds. Without the general funds appropriation for DHS to administer the health home program, DHS would not be able to receive the federal match.

DHS remains concerned regarding the cost implications of this measure as they may replace or adversely impact existing program mandates and priorities identified in the Executive Budget

Thank you for the opportunity to testify on this measure.

LATE

From: Nani Medeiros <NMedeiros@hawaii pca.net>
Sent: Tuesday, March 17, 2015 2:11 PM
To: Tyrell Maae
Subject: Addendum to Testimony on HB 1161

Hi Ty,

In addition to our written testimony we submitted today, we ask the committees to consider further amending this bill to include the contents of SB 117, which provides assistance to health centers for uninsured and underinsured patients. At the federal level, health centers are currently facing a reduction in federal base grant support up to 70%. Hawaii's 14 health centers receive about \$17 million of this federal funding. The reduction will mean reduced hours of operations, closing of sites, layoffs, lack of access for thousands of patients, and significant reductions in mental health services, support services, translation and outreach support, and other areas. Please include funding in this measure to continue this discussion of how the state can support community health centers and ensure access to health care for our communities. Thank you,

Nani Medeiros
Policy and Public Affairs Director
Hawaii Primary Care Association

Nani Medeiros via iPhone

LATE

Hawaii State Legislature
State Senate
Committee on Human Services and Housing
Committee on Health

State Senator Suzanne Chun Oakland, Chair
State Senator Josh Green, Vice Chair
Committee on Human Services and Housing

State Senator Dr. Josh Green, Chair
State Senator Glenn Wakai, Vice Chair
Committee on Health

Tuesday, March 17, 2015, 1:45 p.m. Room 016
House Bill 174 HD 2 Relating to Health

Honorable Chairs Suzanne Chun Oakland and Dr. Josh Green, Vice Chairs Glenn Wakai and Dr. Josh Green, and members of the Senate Committee on Human Services and Housing and the Senate Committee on Health,

My name is Russel Yamashita and I am the legislative representative for the Hawaii Dental Association (HDA) and its 960 member dentists. I appreciate the opportunity to testify in support of House Bill 1161 HD 1 Relating to Health. The HDA has long supported the need for coverage of adults by Medicaid in order that all members of the general public receive the basic dental health needs. The HDA believes that basic dental health is a necessity as much as basic medical care is.

Therefore, HDA reiterates it's support for the restoration of adult dental coverage for Medicaid recipients. We believe that all affected parties are convinced that this legislation is long over due and, therefore, the Hawaii Dental Association supports the passage of this legislation.