
HOUSE CONCURRENT RESOLUTION

REQUESTING AN AUDIT OF THE HAWAII STATE QUEST PROGRAM TO
EVALUATE ITS CURRENT PERFORMANCE IN STABILIZING HEALTH CARE
COSTS AND EXPANDING ACCESS TO HEALTH CARE SERVICES IN
HAWAII.

1 WHEREAS, the Hawaii State QUEST (Quality of Care, Universal
2 Access, Efficient Utilization, Stable Cost, and Transformation)
3 Program (QUEST) began in 1994 as a federally approved, statewide
4 Section 1115 Medicaid waiver demonstration project which sought
5 to address the State's need to stabilize health care costs, use
6 resources more efficiently, and expand access to health care
7 services, with an emphasis on preventive health care; and

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9 WHEREAS, QUEST, within the Department of Human Services
10 (DHS) uses a managed care approach, as permitted under Medicaid,
11 which replaced the traditional fee-for-service system; and

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13 WHEREAS, the fee-for-service arrangement can be more costly
14 than managed care because it exercises less control over patient
15 visits, has greater potential for unnecessary medical procedures
16 or services, and has greater chance of claims fraud; and

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18 WHEREAS, an audit conducted by the the Auditor in 1996
19 found that the project had been inadequately planned and hastily
20 implemented, resulting in management problems and the inability
21 to substantiate its effectiveness and efficiency claims; and

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23 WHEREAS, a 2003 audit by the Auditor entitled Follow-Up
24 Audit of the Department of Human Services' QUEST Demonstration
25 Project also found that:

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27 (1) While the Med-QUEST Division has overcome some
28 operational weaknesses, other management control and
29 staffing problems still hamper QUEST's operations;



- 1 (2) There continue to be problems with the eligibility
- 2 review process, with case file records that lack
- 3 proper documentation that eligibility has been
- 4 reviewed, and are incomplete and inconsistent;
- 5
- 6 (3) The Oahu office, with the highest caseload per staff
- 7 member, had the most incomplete case files and 47
- 8 percent of the Oahu case files the Auditor sampled
- 9 lacked adequate documentation of eligibility reviews;
- 10 and
- 11
- 12 (4) The Med-QUEST Division still lacked a standard
- 13 procedures manual to guide its operations;
- 14

15 and

16

17 WHEREAS, the Auditor in the 2003 audit made several

18 recommendations to improve QUEST, including that DHS evaluate

19 the time and resources (human, financial, and physical)

20 necessary to continue or expand, or both, the QUEST

21 Demonstration Project; and

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23 WHEREAS, there continues to be unresolved problems, issues,

24 and questions regarding QUEST and the proper management of

25 millions of dollars of state and federal funds; now, therefore,

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27 BE IT RESOLVED by the House of Representatives of the

28 Twenty-fourth Legislature of the State of Hawaii, Regular

29 Session of 2007, the Senate concurring, that the Auditor is

30 requested to perform an audit of QUEST to evaluate its current

31 performance in stabilizing health care costs and expanding

32 access to health care services; and

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34 BE IT FURTHER RESOLVED that the Auditor report findings and

35 recommendations to the Legislature 20 days prior to the

36 convening of the Regular Session of 2008; and

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38 BE IT FURTHER RESOLVED that certified copies of this

39 Concurrent Resolution be transmitted to the Auditor, Governor,

40 and Director of Human Services.

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OFFERED BY: Allea A. Belatti (B/R)

