

STAND. COM. REP. NO.

129

Honolulu, Hawaii

FEB 18 2009

RE: S.B. No. 1344

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committees on Human Services and Health, to which was referred S.B. No. 1344 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH CARE,"

beg leave to report as follows:

The purpose of this measure is to require the Department of Human Services to include in its requests for proposals for QUEST providers various provisions that will safeguard against the disruption of services that may be caused by positive enrollment.

Your Committees received testimony in support of this measure from Aloha Care and Hawaii Primary Care Association. Testimony in opposition was received from the Department of Human Services. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that it is important to give QUEST recipients the opportunity to select their health plans and primary care providers. Positive enrollment requires QUEST recipients to select a health plan and a primary care provider, even if they have done so previously. The requirement to reenroll in a health plan and primary care provider causes confusion among QUEST recipients, delays in needed health care procedures, disruption of case management services, and loss of contact between enrollees and their primary care providers.

Your Committees find that in order to guard against the adverse consequences of a positive enrollment program, the Department of Human Services must include protective provisions in

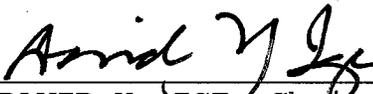


its requests for proposals for QUEST providers. Specifically, requests for proposals for QUEST providers issued by the Department of Human Services must require that:

- (1) Existing QUEST recipients shall have sixty days to choose a health plan and primary care provider;
- (2) Five per cent of QUEST recipients who have not enrolled shall be selected at random and automatically assigned to a plan and provider; QUEST recipients who have not enrolled and are not randomly selected shall be reassigned to their former plan and provider;
- (3) QUEST recipients who have not enrolled are allowed time to opt out of the plans to which they were automatically assigned; and
- (4) QUEST recipients automatically assigned to a plan that is not their former plan who accidentally go to a provider under their former plan to receive medical services shall be permitted to receive medical services from that provider.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1344 and recommend that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committees on Human Services
and Health,



DAVID Y. IGE, Chair

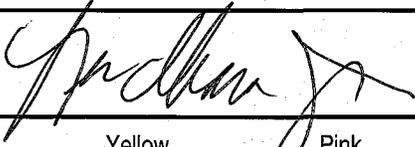


SUZANNE CHUN OAKLAND, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* SB 1344	Committee Referral: HMS / HTH, CPN	Date: 2/10/09		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
GREEN, M.D., Josh				✓
HEMMINGS, Fred			✓	✓
TOTAL	2	0	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1344	HMS/HTH, WAM	2/10/2009		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
GREEN, M.D., Josh (VC)				✓
BAKER, Rosalyn H.	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.				✓
HEMMINGS, Fred			✓	
TOTAL	3		1	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Amil Yde</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

JAN 28 2009

A BILL FOR AN ACT

RELATING TO HEALTH CARE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the department of
2 human services has instituted a positive enrollment policy
3 whereby a QUEST recipient must reenroll in the recipient's
4 health plan within ten days. If the recipient fails to do so,
5 the department of human services automatically assigns the
6 individual to a health plan, which may or may not be the
7 recipient's existing plan.

8 The legislature further finds that these positive
9 enrollment requirements cause confusion, delay in needed health
10 care procedures, disrupt case management, and result in the loss
11 of contact between QUEST recipients and their current primary
12 care providers. Further, positive enrollment incurs additional
13 costs and imposes additional administrative burdens on QUEST
14 providers and the department of human services.

15 The department of human services advocates the policy of
16 positive enrollment as a means of increasing competition among
17 service providers, lowering the cost of healthcare overall,



1 allowing for new plans to enter into the market, and expanding
2 the scope of services provided to QUEST recipients. The
3 legislature finds that it is important to strike a balance
4 between the benefits of positive enrollment and the potential
5 adverse consequences of the policy by allowing the department of
6 human services to implement the policy with limitations.

7 The purpose of this Act is to place limitations on the
8 department of human services positive enrollment policy to
9 minimize disruption of health care services and confusion among
10 QUEST recipients.

11 SECTION 2. Chapter 346, Hawaii Revised Statutes, is
12 amended by adding a new section to be appropriately designated
13 and to read as follows:

14 "§346- Medicaid managed care; request for proposal
15 requirements. (a) A request for proposal issued by the
16 department for health plans to provide health care services to
17 eligible QUEST recipients shall include the following
18 provisions:

19 (1) All individuals who are existing members of QUEST
20 health plans shall be required to select a health plan
21 during an initial enrollment period that shall last
22 for a period of sixty days;



- 1 (2) In the event that QUEST recipients do not enroll
2 within the sixty-day period, the department shall:
- 3 (A) Assign a number of randomly selected QUEST
4 recipients who have not enrolled that is
5 equivalent to no more than five per cent of the
6 total number of QUEST recipients to a health plan
7 according to an automatic assignment algorithm
8 created by the department and described in the
9 request for proposal, provided;
- 10 (i) A QUEST recipient who is automatically
11 assigned may have an additional ninety days
12 after the automatic assignment to select a
13 different health plan for any reason;
- 14 (ii) If the automatically-assigned QUEST
15 recipient mistakenly goes to a previous
16 plan's provider for an appointment, there
17 shall be no disruption in receipt of
18 service, whether or not that provider is
19 included in the new plan, and the QUEST
20 recipient shall receive treatment at that
21 time and the department shall reimburse the
22 provider; and



S.B. NO. 1344

1 SECTION 4. This Act shall take effect upon its approval.

2

INTRODUCED BY: Russell Kohl B/R
Randy H. Baker



Report Title:

Medicaid; QUEST; DHS; Positive Enrollment; Request for Proposals

Description:

Requires DHS to include in its request for proposals for QUEST providers various provisions to safeguard against disruption of services that may be caused by positive enrollment.





March 3, 2009
9:30am
Conference room 229

To: Sen. Rosalyn Baker, Chair
Sen. David Ige, Vice Chair
Senate Commerce and Consumer Protection Committee

From: Paula Arcena
Legislative and Community Liaison

Re: SB1344 Relating to Health Care
(Requires DHS to include in its request for proposals for QUEST providers various provisions to safeguard against disruption of services that may be caused by positive enrollment)

My name is Paula Arcena, I am the Legislative and Community Liaison for AlohaCare.

AlohaCare is a non-profit health insurance company, founded by community health centers, to serve the most medically fragile populations in Hawaii. These groups include low-income families, the aged, the disabled and many other groups. Serving the healthcare needs of the people of Hawaii with aloha is our mission. AlohaCare has more than 60,000 health plan members, 1,200 of which are Medicare members.

Thank you for the opportunity to testify in support of the intent of SB1344.

We support the intent of the bill, but do not believe the modifications proposed are adequate to safeguard against the disruption of services to Hawaii's Medicaid population. In our opinion, the only way to achieve this goal is to eliminate the potential for positive enrollment all together. We have come to this conclusion because positive enrollment has caused unnecessary confusion among beneficiaries and providers,

delays in necessary medical care, disruption to case management and loss of contact with QUEST recipients and their primary care providers and unnecessary expense for all involved.

We feel it is important that the committees understand that AlohaCare does not financially gain from the reduction or elimination of positive enrollment. In 2006, AlohaCare benefited from the auto assignment of approximately 20,000 enrollees who did not select a health plan as a result of positive enrollment because we were the lowest bidder.

As the result of our low bid, AlohaCare will save the State of Hawaii approximately \$23 million over the current four year contracted period. Our concern about positive enrollment is that it jeopardizes the care of some of our State's most vulnerable and medically fragile population.

We do believe that offering QUEST enrollees choice is important. If an enrollee does not initially choose a health plan, one should be auto assigned. If an enrollee does not initiate a change, they should stay with the plan they initial selected. Enrollee choice is currently assured in the QUEST program because beneficiaries are all given an annual opportunity to change health plan. This is identical to the once-a-year open enrollment opportunity provided to members of employer purchased health plans.

We appreciate the opportunity to share our concerns with you and we appreciate the Committee's continued attention to this important matter.

Thank you for this opportunity to testify.



Hawai'i Primary Care Association

345 Queen Street | Suite 601 | Honolulu, HI 96813-4718 | Tel: 808.536.8442 | Fax: 808.524.0347
www.hawaiipca.net

To: **The Senate Committee on Commerce & Consumer Protection**
The Hon. Rosalyn H. Baker, Chair
The Hon. David Y. Ige, Vice Chair

Testimony in Support of Senate Bill 1344
Relating to Health Care
Submitted by Beth Giesting, CEO
March 3, 2009, 9:30 a.m. agenda, Room 229

The Hawaii Primary Care Association supports this bill. We strongly champion the rights of QUEST enrollees to choose their health plan and provider; however, when literacy and language challenges meet letters from DHS misunderstandings are likely to result. In addition, QUEST enrollees are fairly mobile and mailed notices often do not reach them. We believe that so-called positive enrollment should be minimized as it causes confusion for clients, additional work for both state and private workers to sort out unintended reassignments, and likely disruption of patient-plan-provider relationships.

We support the process outlined in this measure will help ensure that patient care is not sacrificed unnecessarily for relatively modest economic benefits. Thank you for the opportunity to testify in support of this measure.



WAIKIKI HEALTH CENTER

REACHING OUT FROM THE HEART OF WAIKIKI.

DATE: March 2, 2009

TO: Sen. Rosalyn H. Baker, Chair
Sen. David Y. Ige, Vice Chair
Sen. Will Espero
Sen. Josh Green, M.D.
Sen. Les Ihara
Sen. Norman Sakamoto
Sen. Fred Hemmings

FROM: Phil Kinnicutt
Board Chair, Waikiki Health Center

VIA FAX: 808-586 6659

SUBJECT: Qualified Support for SB 1344 Relating to "Positive" Enrollment

For Senate Commerce & Consumer Protection Committee Hearing
Tuesday, March 3, 2009, 9:30 AM. Conference Room 229

My name is Phil Kinnicutt and I am the Board Chair for the Waikiki Health Center. Waikiki Health Center is a nonprofit community health center with a mission to serve the medically underserved and medically fragile populations on Oahu.

Positive enrollment fractures the delivery of care to a population that already has its share of serious healthcare challenges. It causes confusion and delays in the receipt of necessary care for patients and results in extra costs and time for providers to resolve the issues that inevitably arise with such a practice.

This bill proposes to modify the positive enrollment process. Our position is to support the bill's intent to reduce disruption to patient care but we want total elimination of positive enrollment.

Respectfully,



WAIKIKI HEALTH CENTER

REACHING OUT FROM THE HEART OF WAIKIKI.

A handwritten signature in black ink, appearing to read "Phil Kinnicutt". The signature is fluid and cursive, written in a dark ink.

Phil Kinnicutt

808-254-4534

Fax: 808-356-0554

LEAFISHING@AOL.COM