

SB 1344



February 10, 2009
1:15pm
Conference room 016

To: Sen. Suzanne Chun Oakland, Chair
Sen. Les Ihara, Jr., Vice Chair
Senate Human Services Committee

Sen. David Ige, Chair
Sen. Josh Green, M.D., Vice Chair
Senate Health 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 health plan founded in 1994 by the Community Health Centers to serve the poor and medically frail. We have been serving Hawaii's Quest population ever since.

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

AlohaCare supports the intent of SB1344, which is intended to safeguard against the disruption of services related to positive enrollment. While we support intent of the bill, we do not believe it is adequate to safeguard against the disruption of services to

Hawaii's Medicaid population caused by positive enrollment. In our opinion, the only way to achieve this goal is to eliminate 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 fact, AlohaCare benefited from the auto assignment of enrollees who did not select a health plan as a result of positive enrollment because we were the lowest bidder.

Since 2002, AlohaCare has saved the State of Hawaii approximately \$20 million as the low bidder in the Quest program. 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.

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 Human Services**
The Hon. Suzanne Chun Oakland, Chair
The Hon. Les Ihara, Jr., Vice Chair

The Senate Committee on Health
The Hon. David Y. Ige, Chair
The Hon. Josh Green, MD, Vice Chair

Testimony in Support of Senate Bill 1344
Relating to Health Care
Submitted by Beth Giesting, CEO
February 10, 2009, 1:15 p.m. agenda, Room 016

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.



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 10, 2009

MEMORANDUM

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

Honorable David Y. Ige, Chair
Senate Committee on Health

FROM: Lillian B. Koller, Director

SUBJECT: **S.B. 1344 – RELATING TO HEALTH CARE**

Hearing: Tuesday, February 10, 2009, 1:15 PM.
Conference Room 016, State Capitol

PURPOSE: The purpose of this bill is to require the Department of Human Services 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.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly opposes this bill because it provides no value over current practice and instead differentially treats QUEST clients.

Positive enrollment is a 60 day period during which clients can select a health plan. During the last positive enrollment, 83% of clients selected a plan. Those who do not select a plan are automatically assigned to one following the assignment algorithm published in the RFP and incorporated into the contracts with the health plans.

The bill places limits on the number of members who did not select a health plan during the enrollment period who can be auto-assigned. Under this bill, those auto-assigned would be

a random sample up to only 5% of the total QUEST enrollment, so patients are treated differently based on whether they are selected for auto-assignment or not. We believe that patients should be treated equally and equitably.

Because there is a transition period during which patients can change health plans, all will have an additional opportunity to select the plan of their choosing. Following the 60 day selection period, clients are allowed 90 days to change plans, whether they chose or were assigned to a plan. During this transition period, the new plan will pay for care delivered by the patient's usual provider, even if the provider is not participating in the new plan.

The bill specifies that the State shall pay providers who give care to a member who "mistakenly goes to a previous plans provider for an appointment." However, the plan to which the member belongs is responsible for paying for care during the transition period whether the member goes to an "in-network" provider or to the provider of another plan. This provision would actually cost the State as the State would have paid for the care through the capitation rates to the health plans, but would need to pay again. Because of the duplicate paying, the State payment would be entirely State funded.

The process already used by DHS for the last two QUEST procurements substantially meets the goals of this bill, protects the transition of care for the members, treats members equally and equitably, and safeguards the State resources that support the program. This bill is unnecessary and treats patients unfairly.

This bill's 5% cap on auto-assignment is tantamount to a 5% cap on competition which is not in the State's best interest.

Thank you for this opportunity to testify.