

HB 2085

LINDA LINGLE
GOVERNOR



LILLIAN B. KOLLER, ESQ.
DIRECTOR

HENRY OLIVA
DEPUTY DIRECTOR

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

March 16, 2010

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: **H.B. 2085, H.D. 1 – RELATING TO HEALTH**

Hearing: Tuesday, March 16, 2010, 3:00 P.M.
Conference Room 016, State Capitol

PURPOSE: The purpose of this bill is to establish limits on requests for proposals from health and human service providers for QUEST contracts that exceed \$100,000,000 and commence after the term of the head of the purchasing agency expires.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly opposes this bill.

Contrary to Section 1 of this bill which states that "the purpose of this Act is to ensure continuity of care for Hawaii's neediest population...", this bill will instead disrupt care for Medicaid clients. The purpose of this bill is not clear but seems to be based on national health care reform being enacted. The timeline for this happening is uncertain.

Having our health care contracts in limbo for an unknown length of time is unfair for our Medicaid recipients and not good for State finances.

Requests for Proposals (RFPs) for our Medicaid managed care programs are extensive, detailed and complex endeavors. Awarded health plans also need sufficient time to prepare for commencement. DHS must ensure that there is uninterrupted services to our vulnerable clients. Also, due to the time that the RFP requires, the process would need to begin this fall to avoid risking our QUEST program and negatively impacting the nearly 200,000 individuals served in that program.

This bill also reduces the State's ability to strengthen its oversight and accountability of the QUEST health plans to ensure better quality of health care for Medicaid clients and for efficiency, transparency and greater value to Hawaii taxpayers.

Finally, there is an implication in the proposed statutory changes proposed in this bill that the Department will not be working in good faith for the good of the State's vulnerable population being served if the contract period commences after the term of the head of the purchasing agency expires. This does a disservice to the DHS staff who administer and implement this program and who do their best to provide the most services to as many as possible needing services within the requirements of State and Federal laws and regulations and fiscal ability.

Thank you for this opportunity to provide testimony.

HMSA



Blue Cross
Blue Shield
of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

March 16, 2010

The Honorable Suzanne Chun Oakland, Chair
The Honorable David Ige, Chair
Senate Committees on Human Services and Health

Re: HB 2085 HD1 – Relating to Health

Dear Chair Chun Oakland, Chair Ige and Members of the Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of HB 2085 HD1 which would prohibit the Department of Human Services (DHS) from issuing a Request for Proposal (RFP) for the QUEST health plans in the year 2010.

Currently, every two years, DHS releases a RFP for health plans to provide coverage for QUEST members during a specified contract period, typically two years. The current QUEST contract technically expired June 30, 2009. The RFP for the next contract period has yet to be published, and is not expected to be released until the spring of 2010. Until such time, the state gave each plan the option to extend their contract and HMSA is operating with the understanding that the remaining contract extension will be in place until July 2011.

It is important to understand that the RFP process is costly and time consuming for both HMSA and the state. Given the current circumstances of budgetary concerns and the fact that DHS will be delaying payment to QUEST participating plans, there will be no additional resources to devote to the RFP process at this time.

Additionally, with a new Administration poised to take office in 2011, it would be prudent to put off these important decisions to allow new leadership to develop its own priorities and goals regarding the program. Given the concerns regarding the proposed RFP timeframe, we would respectfully request the Committees see fit to pass this measure, to protect not only the interests of the state and participating QUEST health plans but, most importantly, QUEST members.

Thank you for the opportunity to provide testimony today.

Sincerely,

A handwritten signature in black ink, appearing to read 'JD' or similar initials, followed by a long horizontal stroke.

Jennifer Diesman
Vice President
Government Relations

Faith Action for



Community Equity

Gamaliel Foundation Affiliate

1352 Liliha Street, Room 2
Honolulu, HI 96817

Phone (808) 522-1304
Fax (512) 532-7448

face.office@facehawaii.org
www.facehawaii.org

The Rev. Alan Mark
Statewide President

The Rev. Robert Nakata
Oahu President

The Rev. Bill Albinger
Maui President

Ms. Judy Ott
Statewide Secretary

The Rev. Frances Wiebenga
Oahu Vice President, Clergy

Dr. Clementina Ceria-Ulep
Oahu Vice President, Laity

Dr. Kathy Jaycox
Oahu Secretary

Ms. Emily Milioni
Oahu Assistant Secretary

Mr. Rosario Baniaga
Oahu Treasurer

Mr. Drew Astolfi
Executive Director

Mr. Patrick Zukemura
Oahu Lead Organizer

March 16, 2010

REGULAR SESSION OF 2010

COMMITTEE ON HUMAN SERVICES

Senator Suzanne Chun Oakland, Chair
Senator Les Ihara, Jr., Vice Chair

COMMITTEE ON HEALTH

Senator David Y. Ige, Chair
Senator Josh Green, M.D., Vice Chair

DATE: Tuesday, March 16, 2010
TIME: 3:00pm
PLACE: Conference Room 016

HB 2085 RELATING TO HEALTH

Chairs Chun-Oakland and Ige:

I am Rev Bob Nakata. I am vice-chair of the FACE Healthcare Committee and I am the past President of FACE, Oahu. FACE is an interfaith organization with membership including 28 churches, temples, unions and civic organizations and has been active in Hawaii for 15 years. It represents over 38,000 people who reflect the cultural and socio-economic diversity of our State. FACE exists to allow its members to live out our common faith-based values by engaging in actions that challenge the systems that perpetuate poverty and injustice. **FACE supports this measure and we ask that you pass this bill.**

Our State of Hawaii is in dire financial distress and many programs for our needy are being impacted by the reduction of administrative staffing. The DHS is one of these departments that have seen layoffs and furloughs. The system presently in place is coordinated and is functioning to provide healthcare to our QUEST population. This QUEST population continues to increase with the loss of jobs and health insurance for many of our healthy population is being assumed by the QUEST and other State programs.

Furthermore, with the 2010 elections, we will have a new Governor and Cabinet and we should not burden the new administration with a possible long-term change and implementation of a new Medicare process. Keeping the current programs in place will provide a continuity of care and the existing provider network in tact.

This measure will provide protection and stability with the changing circumstances of the federal and state budgets along with protection of the interest of the State of Hawaii, the providers presently under contract in the QUEST health care plans, the participating QUEST health plans and most importantly our most vulnerable population of QUEST members.

Thank you and we urge you to pass this measure.



94-450 Mokuola Street, Suite 106, Waipahu, HI 96767
808.675.7300 | www.ohanahealthplan.com

March 16, 2010

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

The Honorable David Y. Ige
Chair, Senate Committee on Health

From: 'Ohana Health Plan

Re: House Bill 2085, House Draft 1-Relating to Health

Hearing: Tuesday, March 16, 2010, 3:00 p.m.
Hawai'i State Capitol, Room 016

Since February 2009, 'Ohana Health Plan has provided services under the Hawai'i QUEST Expanded Access (QExA) program. 'Ohana is managed by a local team of experienced care professionals who embrace cultural diversity, advocate preventative care and facilitate communications between members and providers. Our philosophy is to place members and their families at the center of the health care continuum.

'Ohana Health Plan is offered by WellCare Health Insurance of Arizona, Inc. WellCare provides managed care services exclusively for government-sponsored health care programs serving approximately 2.3 million Medicaid and Medicare members nationwide. 'Ohana is able to take the national experience in providing an 'Ohana care model that addresses local members' healthcare and health coordination needs.

We appreciate this opportunity to submit our comments in opposition to House Bill 2085, House Draft 1-Relating to Health.

We agree that states must be prepared to implement changes to existing health care programs as health care reform legislation becomes law. We also appreciate the legislative intent to ensure a continuity of care for Hawai'i's neediest population and make certain that Medicaid contracts comply with any changes in law due to health care reform. However, given the current status of national healthcare reform, this legislation is premature and may not accurately apply to actual implementation and contractual changes that may be necessary should national health care reform efforts become law.

Additionally, we are concerned about placing a dollar amount cap, through statute, on QUEST contracts when the landscape of health care services is changing, especially as federal health care reform is in development. It would be impractical to put a statutory limit on contract amounts when market changes dictate cost.

Considering these issues, we respectfully request that this committee hold House Bill 2085 at this time. Thank you for the opportunity to provide these comments on this measure.

To: **Committee on Human Services**
Senators Suzanne Chun Oakland, Chair & Les Ihara, Jr., Vice Chair
and
Committee on Health
Senators David Ige, Chair & Dr. Josh Green, Vice Chair

RE: HB 2085, HD1 – RELATING TO HEALTH
Hearing: Tuesday, March 16, 2010; 3:00pm; Room 016

Submitted by: Richard P. Bettini, MPH, MS, Chief Executive Officer
Waianae Coast Comprehensive Health Center
Contact – 697-3457 or wcchc@wcchc.com

Mahalo for considering our request to support HB 2085, HD1.