

STAND. COM. REP. NO.

3050

Honolulu, Hawaii

MAR 30 2012

RE: S.R. No. 90

S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.R. No. 90 entitled:

"SENATE RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO IMPLEMENT A DEMONSTRATION PROJECT TO INTEGRATE HEALTHCARE FOR INDIVIDUALS ENROLLED IN BOTH MEDICAID AND MEDICARE, "

begs leave to report as follows:

The purpose and intent of this measure is to improve health care to be patient-centered and of high quality, reduce provider administrative burden, and generate savings for the State and federal governments by requesting the Department of Human Services to implement a demonstration project to integrate health care for individuals enrolled in Medicaid and Medicare.

Your Committee received testimony in support of this measure from the Department of Human Services, AlohaCare, United Self Help, and one individual.

Your Committee finds that the Department of Human Services has begun working with the Centers for Medicare and Medicaid Services on a demonstration dual integration project, which is anticipated to be implemented within the next year. Your Committee finds that integrating the management of Medicare and Medicaid health services has the potential to decrease costs and increase the quality of health care by closing coverage gaps and minimizing fragmented care.



Your Committee further finds that there are only three Medicare Special Needs Plans operating in Hawaii, one of which is the only Medicare Special Needs Plan that is not also a QUEST Expanded Access plan. Individuals who are eligible for dual enrollment in Medicare and Medicaid have elected to be members of this Medicare Special Needs Plan while receiving Medicaid services from competing QUEST Expanded Access plans.

Your Committee additionally finds that the integration of dual eligible enrollees represents approximately \$100,000,000 to \$150,000,000 in additional annual revenue for QUEST Expanded Access plans. This may make members of the Medicare Special Needs Plan that is not also a QUEST Expanded Access plan a target because the QUEST Expanded Access plans benefit from enrolling as many beneficiaries as possible into their dual program. Such enrollment of this population into the dual program may fragment coordination of Medicare and Medicaid benefits for the consumer and may make the coordination of care a challenge for both health plans involved. Your Committee therefore finds that this measure should be amended so that the Department of Human Services and its contracted plans target traditional fee-for-service Medicare members for the integration project and exclude members of the Medicare Special Needs Plan that is not also a QUEST Expanded Access plan.

Accordingly, your Committee has amended this measure by:

- (1) Adding language that requests the Department of Human Services to mitigate the impact of the integration demonstration project on competing Centers for Medicare and Medicaid Services-approved dual eligible Special Needs Plans that are not also a QUEST Expanded Access Medicaid managed care health plan and to ensure that the project takes place in conjunction with the anticipated re-procurement of the QUEST Expanded Access contract;
- (2) Adding language that details the elements of the Department's report to the Legislature on the implementation plan for the integration demonstration project; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 90, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 90, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,

Suzanne Chun Oakland

SUZANNE CHUN OAKLAND, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SR 90</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">HMS, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">3/28/12</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	/			
IHARA, Jr., Les (VC)				/
GREEN, M.D., Josh	/			
SLOM, Sam	/			
TOTAL	3	0	0	1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; text-align: center;">JLM</div>				
Distribution: <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

*Only one measure per Record of Votes