



March 29, 2012
90:00 am
Conference Room 329

To: The Honorable Rep. Ryan I. Yamane, Chair
The Honorable Dee Morikawa, Vice Chair
Senate Committee on Human Services

From: Paula Arcena, Director of Public Policy
Robert Toyofuku, Government Affairs

Re: HCR 158 / HR122 Requesting the Department of Human Services to
Implement a Demonstration Project to Integrate Healthcare for Individuals
Enrolled in Both Medicaid and Medicare

Thank you for the opportunity to testify.

AlohaCare supports the intent of this measure and has a number concerns. We respectfully request consideration of amendments we would like to propose.

We strongly support the resolution's intent to integrate healthcare for individuals who are eligible for both Medicaid and Medicare. We believe that integrating the management of Medicaid and Medicare health services has the potential to decrease costs and increase quality by closing coverage gaps and minimizing fragmented care. We are aware that DHS has plans for such a project underway and we commend the Department for being proactive in responding to the U.S. Center for Medicaid and Medicare Services call for states to participate in their nationwide effort.

We are strongly concerned, however, that without careful implementation, DHS' integration of Medicare and Medicaid will have an unanticipated negative impact on AlohaCare's Medicare Special Needs Plan (SNP).

Currently, there are only three Medicare SNP plans operating in Hawaii. AlohaCare is the only Medicare SNP plan that is not also a QUEST Expanded Access (QExA) plan. We have hundreds members with dual eligibility who have chosen AlohaCare as their Medicare SNP plan while receiving Medicaid services from competing QExA plans. We have care navigators assigned to each of our SNP members who work hard to ensure smooth collaboration and service integration between Medicaid and Medicare services on the member's behalf. Thus, the state and federal government benefit from AlohaCare's close relationship with our members.

The integration of dual eligible enrollees represents approximately \$100-\$150 million in additional annual revenue for QExA plans. This makes AlohaCare members a potential target because the QExA plans benefit from enrolling as many beneficiaries as possible into their dual program.

In our proposed amendments, we are asking the legislature to resolve DHS and its contracted plans to target traditional fee-for-service Medicare members for the integration project and exclude our members. We also believe the project would ideally take place in conjunction with the anticipated re-procurement of the QUEST Expanded Access contract.

The benefit of this policy is twofold: 1) it would focus integration efforts on the beneficiaries who would benefit most from integration because it moves them from a fee-for-service program to a managed care program where their care is coordinated and managed; and 2) it prevents the negative impact of the demonstration project on AlohaCare and our members.

The integration effort represents a major policy change in the way Medicaid and Medicare health services are administered and care is delivered. In combination with the many other changes occurring in healthcare, dual eligible integration will have a significant impact on the competitive market place, including the next Quest Expanded Access contract bid, consumers and providers. We believe it is appropriate that the legislature is informed of these changes and potential impacts in order to make informed public policy decisions. Our proposed amendment addresses this issue as well.

AlohaCare is a non-profit, Hawaii based health plan founded in 1994 by Hawaii's community health centers to serve low-income families and medically vulnerable members of our community through government sponsored health insurance programs. We serve beneficiaries of Medicaid and Medicare on all islands.

Thank you for this opportunity to testify.

8 BE IT FURTHER RESOLVED that the Department of
9 Human Services is requested to optimize participation in the
10 integration demonstration while preserving consumer choice; and

11 BE IT FURTHER RESOLVED that the Department of
12 Human Services will mitigate the impact of the demonstration
13 project on competing Centers-approved dual eligible special needs
14 plans that are not also a QUEST Expanded Access Medicaid
15 managed care health plan by ensuring solely traditional Medicare
16 members will be enrolled in the integration demonstration; and
17 ideally the project shall take place in conjunction with the
18 anticipated re-procurement of the QUEST Expanded Access
19 contract.

20 BE IT FURTHER RESOLVED that Director of Human
21 Services is requested to submit an informative [status] report to the
22 Legislature on the Department's implementation plan for the
23 integration demonstration no later than twenty days before the
24 convening of the Regular Session of 2013 detailed its plan and
25 Memorandum of Agreement with the United States Department of
26 Health and Human Services, Centers for Medicare and Medicaid
27 Services, including but not limited to:

- 28 • Public notice and meaningful consumer and other
29 stakeholder engagement;
- 30 • Enrollment targets and related outreach initiatives;
- 31 • Integrated care management across primary, acute,
32 behavioral health and long-term services and
33 supports;
- 34 • CMS Office of the Actuary certifiable estimates of
35 expected savings;
- 36 • Integrated beneficiary level claims data for
37 program management and evaluation;
- 38 • Adequate access to networks of medical and
39 supportive services providers;
- 40 • Monitoring and oversight infrastructure;
- 41 • Quality measurement infrastructure; and
- 42 • Implementation timeline; and
- 43 • Necessary proposed legislation.

44 BE IT FURTHER RESOLVED the Director of Human
45 Services submit a subsequent detailed report of findings,
46 challenges, and recommendations, including necessary proposed
47 legislation, no later than twenty days before the convening of the
48 Regular Session of 2014; and

49 BE IT FURTHER RESOLVED that certified copies of this
50 Concurrent Resolution be transmitted to the Governor, Director of
51 Health, and Director of Human Services.

Testimony for HUS/HLT 3/29/2012 9:00:00 AM HCR158

Conference room: 329

Testifier position: Support

Testifier will be present: No

Submitted by: Scott Wall

Organization: United Self Help

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Submitted on: 3/21/2012

Comments:

Representative Ryan I. Yamane, Chair
Representative Dee Morikawa, Vice Chair

Evan Mosier
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Thursday, March 29, 2012

Support for HCR 158 Integration of Healthcare for Individuals in both Medicaid and Medicare

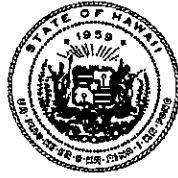
I am representing myself as a current medical student in Hawaii, where I have gained recent insight on the issue of problems in Medicaid and Medicare. I am issuing my support for H.C.R. no. 158: Requesting the Department of Human Services to Implement a Demonstration Project to Integrate Healthcare for Individuals Enrolled in Both Medicaid and Medicare.

In my experiences working with practicing physicians, I have seen many private offices struggle with the headaches of patient insurance plans. Private practice physicians service a large amount of Hawaii's population, but they often do not have the resources to deal with complicated insurance plans. I have heard that either Medicaid or Medicare is complex enough to cause problems for private practice physicians, but it is even more difficult when a patient is on both plans. In particular, this is a problem because it forces physicians to spend more time filling additional paperwork while leaving them with less time to spend with patients.

With the physician shortage in Hawaii, it is important that we do not punish those physicians who are willing to help our vulnerable patients on Medicaid and Medicare by burdening them with additional paperwork. I have met patients who were on Medicaid or Medicare and couldn't find a physician because the difficult paperwork makes physicians believe their time is best spent elsewhere. But when patients have both Medicaid and Medicare it makes them even more vulnerable and less likely to find access to a primary care physician. This is due to doctors wanting to spend their time with their patients, not a stack of papers and the complexities of a dual Medicaid and Medicare insurance form. With the great demand on primary care physicians for appointments, the physician will often try to serve the needs of the many and might not be able to service those with complicated plans such as dual coverage of Medicaid and Medicare.

If we want to deny access to healthcare for patients with dual Medicaid and Medicare coverage, then we are on the right track. However, if we want to help these patients gain access to healthcare, we need to be able to streamline the two plans together- so that it lessens the burden of the physician. By passing H.C.R. no. 158, we can begin to look into the simplification of dual coverage patients so that physicians can spend time to deliver high quality healthcare for their patients. Thank you for this opportunity to testify.

NEIL ABERCROMBIE
GOVERNOR



PATRICIA MCMANAMAN
DIRECTOR

BARBARA A. YAMASHITA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

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March 29 2012

TO: The Honorable John M. Mizuno, Chair
House Committee on Human Services

The Honorable Ryan I. Yamane, Chair
House Committee on Health

FROM: Patricia McManaman, Director

SUBJECT: **H.C.R. 158/H.R. 122 – REQUESTING THE DEPARTMENT OF
HUMAN SERVICES TO IMPLEMENT A DEMONSTRATION PROJECT
TO INTEGRATE HEALTHCARE FOR INDIVIDUALS ENROLLED IN
BOTH MEDICAID AND MEDICARE**

Hearing: Thursday, March 29, 2012; 9:00 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of these resolutions is to request the Department of Human Services to implement a demonstration project to integrate care for individuals enrolled in both Medicaid and Medicare in order to improve patient-centeredness and quality of care, help reduce provider administrative burden, and generate savings to the State and Federal governments.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this resolution. The Department has already begun working with the Centers for Medicare and Medicaid Services (CMS) on a demonstration dual integration project. It is anticipated to be implemented within the next year.

Thank you for the opportunity to testify on this bill.

AN EQUAL OPPORTUNITY AGENCY