



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

#### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
Senate Committee on Ways and Means  
Friday, February 10, 2023 at 10:30 a.m.

By

Lee Buenconsejo-Lum, Acting Dean and  
Kelley Withy, MD, Professor, Department of Family Medicine and Community Health,  
Hawai'i/Pacific Basin Area Health Education Center (AHEC) Director  
John A. Burns School of Medicine

And

Michael Bruno, Provost  
University of Hawai'i at Mānoa

### SB 397 SD1 – RELATING TO PROFESSIONAL MEDICAID SERVICES

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

Thank you for the opportunity to provide testimony in SUPPORT of SB 397 SD1 which appropriates funds to increase Medicaid payments to eligible health care professionals up to 100% of the current Medicare rates.

Primary care, specialty care, and behavioral health professionals overwhelmingly desire to treat patients of all backgrounds, regardless of insurance coverage. The Hawai'i Medicaid professional fee schedule is currently set at 60% of Medicare for the majority of professional services. This low reimbursement rate has a negative impact on the ability of medical professionals to treat an increased number of Medicaid patients.

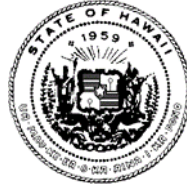
The current Medicaid professional fee schedule also increases the challenge of recruiting and retaining providers in the state, since Hawaii is competing against the rest of the nation for an adequate workforce. Hawai'i faces a shortage of almost 800 physicians. Through the surveys of physicians conducted by the John A. Burns School of Medicine (JABSOM) at the Hawai'i Health Workforce Summit as to what could be done to recruit and retain more physicians, the fourth most popular answer from the 274 respondents to the survey was eliminating the GET on medical services. Physicians who have left the State indicate that the extra cost of caring for Medicare, Medicaid and Quest patients makes it financially burdensome to continue practicing here. For the same reason, many physicians no longer see this group of patients.

Many of the faculty JABSOM relies on to train our students and residents are struggling, especially on the Neighbor Islands. Providing Medicaid payments at 100% of the Medicare rate would help to keep these providers in practice, improve access to care

and access to learning environments that teach our students to provide high quality, compassionate care for all patients, regardless of the ability to pay. This measure provides funding that is a necessary and meaningful step toward addressing long standing health inequities that exist in this state.

Thank you for the opportunity to provide testimony on this bill.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



CATHY BETTS  
DIRECTOR  
KA LUNA HO'OKELE

JOSEPH CAMPOS II  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**DEPARTMENT OF HUMAN SERVICES**  
KA 'OIHANA MĀLAMA LAWELAWE KANAKA  
Office of the Director  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 8, 2023

TO: The Honorable Senator Donovan Dela Cruz, Chair  
Senate Committee on Ways & Means

FROM: Cathy Betts, Director

SUBJECT: **SB 397 SD1 – RELATING TO PROFESSIONAL MEDICAID SERVICES.**

Hearing: February 10, 2023, 9:30 a.m.  
Conference Room 211, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports this bill as it is similar to Administration measures SB1368 and HB1070. Additionally, we request support for the Administration's budget and Governor's Message regarding these appropriations.

**PURPOSE:** This bill appropriates funds to increase Medicaid reimbursements to eligible health care professionals in the State up to one hundred per cent of the current Medicare rates. Effective 12/31/2050. (SD1)

The Senate Committee on Health & Human Services amended the measure by defecting the effective date and technical amendments.

DHS supports increasing investments in the Medicaid program, more specifically in reimbursement rates. Since March 6, 2020, Medicaid enrollment has increased by over 40 percent from 327,119 to over 464,000 as of January 2023 – or nearly one-third of Hawaii's residents. With this significant number of Hawaii residents covered by Medicaid, healthcare providers who care for Hawaii's residents covered by Medicaid are receiving less

## Part 2

reimbursement than they would if the resident were covered by private healthcare insurance. Medicaid does have a history of supporting healthcare professionals. Currently, Hawaii Medicaid is one of the few states that continues to reimburse primary care providers for primary care services at 100 percent Medicare. However, there are many health care professional services reimbursed well-below Medicare rates.

This bill proposes to increase the reimbursement rates for eligible health care providers for medical professional services allowed under the Medicaid program provided to Hawaii's Medicaid enrollees to be the equivalent reimbursement rate paid by the federal Medicare program for the same or similar service. Eligible health care professionals per the Medicaid fee schedule and Hawaii Medicaid State Plan primarily include physicians and doctors. Therefore, it would not include reimbursement rates for hospitals, nursing facilities, prescription drugs, or rehabilitation or therapeutic services. Also, Long-term Care or Home and Community-Based waiver services will not be included in the increase as they are not classified as medical professional services.

With additional general fund appropriations, the department will require federal approval to access federal matching funds and implement the reimbursement rate increase. This rate increase may encourage more health care providers to provide care to Medicaid recipients, and increased rates will assist providers in meeting the cost of care.

The projected general fund appropriation needed annually is \$30,000,000; with federal approval, the available federal match will be approximately \$43,000,000.

Thank you for the opportunity to testify on this measure.

Testimony of  
Jonathan Ching  
Government Relations Director

Before:  
Senate Committee on Ways and Means  
The Honorable Donovan M. Dela Cruz, Chair  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair

February 10, 2023  
10:30 a.m.  
Conference Room 211 & Via Videoconference

**Re: SB 397, SD1 Relating to the Professional Medicaid Services**

Chair Dela Cruz, Vice Chair Keith-Agaran, and committee members, thank you for this opportunity to provide testimony on SB 397, SD1, which appropriates general funds to increase Medicaid payments to eligible health care professionals in the State up to one hundred per cent of the current Medicare rates.

**Kaiser Permanente Hawai'i STRONGLY SUPPORTS SB 397, SD1.**

Kaiser Permanente Hawai'i is one of the nation's largest not-for-profit health plans, serving 12.6 million members nationwide, and more than 269,000 members in Hawai'i. In Hawai'i, more than 4,200 dedicated employees and more than 650 Hawai'i Permanente Medical Group physicians and advance practice providers work in our integrated health system to provide our members coordinated care and coverage. Kaiser Permanente Hawai'i has more than 20 medical facilities, including our award-winning Moanalua Medical Center. We continue to provide high-quality coordinated care for our members and deliver on our commitment to improve the health of our members and the 1.4 million people living in the communities we serve.

Over the past several years, especially with the economic challenges brought by the COVID-19 pandemic, the state's Medicaid population has increased dramatically by almost 40%. Mirroring the state's increase and all the other health plans, the Kaiser Permanente Hawai'i Medicaid population has risen significantly (over 68% percent since early 2020). The physician shortage statewide also continued to increase, particularly in the neighbor islands.

Although our internal providers all take care of our Medicaid patients, the enhanced Medicaid reimbursements to providers will allow us to continue to recruit and retain providers and take care of our Medicaid members. In addition, it will allow us to more easily contract outside our Hawai'i Permanente Medical Group providers for external providers to care for our members for services

we are not able to provide internally, particularly in the neighbor islands where providers are limited, and access issues are prevalent.

This appropriation will immediately help to alleviate the difficulties providers and patients face in delivering and accessing high-quality care.

Mahalo for the opportunity to testify on this important measure.

Friday, February 10, 2023 at 10:30 AM  
Via Video Conference; Conference Room 211

**Senate Committee on Ways And Means**

To: Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair

From: Michael Robinson  
Vice President, Government Relations & Community Affairs

Re: **Testimony in Support of SB 397, SD1  
Relating to Professional Medicaid Services**

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My name is Michael Robinson, and I am the Vice President of Government Relations & Community Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

**HPH writes in support of SB 397, SD1** which appropriates funds to increase Medicaid payments to eligible health care professionals in the State up to 100% of current Medicare rates.

Currently, Hawaii ranks 47<sup>th</sup> out of 51 states and the District of Columbia in terms of Medicaid spending per full-benefit enrollee in the state. While we are very supportive of cost efficient, high-value care, the current low reimbursement rates affect the ability of healthcare professionals in our community to take on patients enrolled in Medicaid.

Having access to quality, timely healthcare services and a robust healthcare workforce is critical to reaching our goals of reducing health disparities. We are confident that this funding is a necessary and meaningful step towards addressing long standing health inequities that exist in this state. This initiative is a broad-based, systemic approach to improving access to healthcare for the most underserved and needy members of our community. By creating more opportunities for people to see the providers they feel most comfortable with, in their own communities, and in a way that they feel is best for their preferences and health, will be a long overdue change in how we treat those who need this type of quality, patient-centered care the most.

Many providers decline accepting patients on Medicaid or have left the state due to the low reimbursement rates. Providing Medicaid payments at 100% of the Medicare rate would help to keep these providers in practice and improve access to care. This measure

provides funding that is a necessary and meaningful step toward addressing long standing health inequities that exist in this state.

Thank you for the opportunity to testify.





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[facebook.com/AARPHawaii](https://facebook.com/AARPHawaii)

**The State Legislature**  
**Senate Committee on Ways and Means**  
**Friday, February 10, 2023**  
**Conference Room 211, 10:30 a.m.**

TO: The Honorable Donovan Dela Cruz , Chair  
RE: Support of S.B. 397 SD1 Relating to Professional Medicaid Services

Aloha Chair Dela Cruz and Members of the Committee:

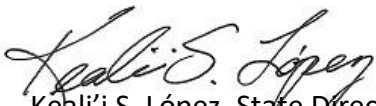
My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social mission organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

**AARP supports S.B. 397 SD1** which appropriates funds to increase Medicaid payments to eligible health care professionals in Hawaii up to one hundred percent of the current Medicare rates.

Federal and state governments should ensure that Medicaid reimbursement is sufficient to guarantee access to the full range of high-quality long-term services and supports (LTSS) in all service settings. For many kupuna in need of long term care whether in an institutional setting or in their home, Medicaid becomes their safety net coverage if they are unable to pay out of pocket or lack private long term care insurance. Hawaii is currently facing an acute shortage of health care workers especially in long term care. We need to attract, retain and compensate them properly so that they can continue to care for our most vulnerable populations including kūpuna. Increasing the Medicaid payments will help improve the overall access to care for all people in need.

Thank you very much for the opportunity to testify in support **S.B. 397 SD1**.

Sincerely,

  
Keali'i S. López, State Director



**February 10, 2023**  
**Conference Room 211**

**Senate Committee on Ways and Means**

To: Chair Donovan M Dela Cruz  
Vice Chair Gilbert S.C. Keith-Agaran

From: Hilton Raethel  
President and CEO  
Healthcare Association of Hawaii

Re: **Strong Support**  
**SB 397 SD1, Relating to Professional Medicaid Services**

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 30,000 people statewide.

Thank you for the opportunity to provide testimony in **strong support** of this measure, which would address healthcare access challenges for Medicaid enrollees, and strengthen our healthcare workforce by paying providers the same rate under the Medicaid program as they are paid under the Medicare program. Currently, Hawaii providers receive relatively low reimbursements from government programs like Medicaid compared to the national average. While we are very supportive of cost efficient, high-value care, the current low reimbursement rates affect the ability of healthcare professionals in our community to take on patients enrolled in Medicaid.

Having access to quality, timely healthcare services and a robust healthcare workforce is critical to reaching our goals of reducing health disparities. We are confident that this funding is a necessary and meaningful step towards addressing long standing health inequities that exist in this state. This initiative is a broad-based, systemic approach to improving access to healthcare for the most underserved and needy members of our community. By creating more opportunities for people to see the providers they feel most comfortable with, in their own communities, and in a way that they feel is best for their preferences and health, will be a long overdue change in how we treat those who need this type of quality, patient-centered care the most.

Primary care, specialty care, and behavioral health professionals have an overwhelming desire to treat patients of all backgrounds, regardless of insurance coverage. The Hawaii Medicaid professional fee schedule is currently set at 60% of Medicare for the majority of professional services. This low reimbursement rate has a negative impact on the ability of medical professionals to treat an increased number of Medicaid patients, especially during these high inflationary times. The current Medicaid professional fee schedule also increases the challenge of recruiting and retaining providers in the state since Hawaii is competing against the rest of the nation for an adequate workforce. In 2022, there was a reported deficit of at least 750 full-time physicians in the state, and a documented shortage of almost 4,000 non-physician, patient-facing healthcare workers such as nurses, technicians, and patient service representatives.

We want to make sure that we do note in our testimony that this increase will benefit individual, community practitioners. This is not an increase for larger organizations such as hospitals or nursing homes—it is meant to support the small practitioners who are really tied to their communities.

Thank you for the opportunity to provide strong support of this measure.



**Written Testimony Presented Before the  
Senate Committee on Ways and Means  
Friday, February 10, 2023 at 10:30 A.M.  
Room 211 and via videoconference**

**by  
Laura Reichhardt, APRN, AGPCNP-BC  
Director, Hawai'i State Center for Nursing  
University of Hawai'i at Mānoa**

**TESTIMONY IN SUPPORT of SB 397, SD1**

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Committee on Ways and Means, thank you for the opportunity to testify in support of SB 397, SD1.

In Hawai'i, health care professionals are in high demand yet in low supply, particularly on the neighbor islands and in rural and underserved areas of our state. Advance Practice Registered Nurses (APRNs) are reimbursed at lower rates than physicians (80-85% of Physician Fee Schedule<sup>1</sup>) for Medicare, and even further reduced for Medicaid (65% of Physician Fee Schedule<sup>2</sup>). Despite the reductions in reimbursements for APRNs, this population of providers remain committed to servicing publicly-insured individuals. In the 2021 Nursing Workforce Supply Survey, we found that 92% provided care to Medicare and Medicaid patients in their average week.<sup>3</sup>

As the cost of healthcare rises, it is increasingly a challenge for APRNs to cover their clinical expenses. Because of the reduced rates, APRNs represented in the Hawai'i State Center for Nursing APRN Policy & Practice Taskforce have stated that their basic business expenses are not fully covered by reimbursement for services to Medicaid patients. This measure proposes the solution for the state to support the difference between Medicaid payments and Medicare payments. This would address the dissonance between the reimbursements and the costs of business, and therefore optimize access to care for Medicaid patients.

The Hawai'i State Center for Nursing commends the Legislature for introducing this measure. The Center thanks your committee for its commitment to the people of Hawai'i, and ensuring access to high-quality health care by our state's interprofessional healthcare workforce including APRNs.

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<sup>1</sup>CMS. (2022). Advanced Practice Registered Nurses, Anesthesiologist Assistants, & Physician Assistants. <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/Medicare-Information-for-APRNs-AAs-PAs-Booklet-ICN-901623.pdf>

<sup>2</sup> Communication with Department of Human Services, June 2021

<sup>3</sup> Hawai'i State Center for Nursing. (2021). 2021 Hawai'i Nursing Workforce Supply Report. [http://www.hawaii-center-for-nursing.org/wp-content/uploads/2021/12/Statewide-Report-v.Final\\_.pdf](http://www.hawaii-center-for-nursing.org/wp-content/uploads/2021/12/Statewide-Report-v.Final_.pdf)

*The mission of the Hawai'i State Center for Nursing is that through collaborative partnerships, the Center provides accurate nursing workforce data for planning, disseminates nursing knowledge to support excellence in practice and leadership development, promotes a diverse workforce, and advocates for sound health policy to serve the changing health care needs of the people of Hawai'i.*



**Testimony in Support of SB397 SD1, Relating to Professional Medicaid Services**

February 9, 2023

Senate Committee on Ways and Means

February 10, 2023

10:30 am

Conference Room 211

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members:

Hawaii Dental Service (HDS) supports SB397 to increase Medicaid payments for all healthcare professionals and strongly recommends that the definition of healthcare professional in this bill be broadened to include licensed dentists. We recommend the following amendment to the preamble of the bill:

“While some providers are reimbursed at cost or at the same rates as Medicare — such as critical access hospitals, community health centers, and providers who perform certain services — most individual health care professionals, such as physicians, psychiatrists, psychologists, advanced practice, registered nurses, and dentists are not.”

There is an intricate connection between oral health and our overall health and well-being. The growing trend of medical-dental integration is blurring the line between dental care and medical care. For example, dental check-ups can detect early signs of chronic diseases such as diabetes. Likewise, a blood pressure screening at the dental office can detect hypertension and this can lead to a referral to a medical doctor for appropriate follow-up care.

When a dentist is viewed as a colleague and member of a comprehensive, integrated care team, we believe patients will experience better health outcomes, and this will help to lower healthcare costs for our state.

We appreciate your support for SB397, SD1.

Mahalo nui loa,

Dr. Diane Paloma  
President & CEO

SB392,SD1- RELATING TO PROFESSIONAL MEDICAID SERVICES  
Sen WAM Hearing  
Friday, February 10, 2023- 10:30 AM  
Conference Room 211 & Videoconference  
Position: SUPPORT

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and WAM Committee Members,

I am the president of the Hawaii Chapter of the American Physical Therapy Association (APTA Hawaii) which represents the profession of physical therapy in Hawaii. We appreciate the opportunity to offer testimony relative to SB392,SD1. We **SUPPORT** adoption of SB392,SD1.

The text of the bill outlines many challenges facing physical therapists in caring for the large percentage of the population on Medicaid. As you are aware the cost of providing healthcare in Hawaii is prohibitively high. As a result, there is a shortage of healthcare providers and those providers who are here in Hawaii are disincentivized to stay.

Individuals on Medicaid are some of society's most vulnerable. They face many daily challenges including accessing healthcare. Often these individuals have more complex health and personal needs. Providing healthcare to this population is often more resource intensive. As a result, when combined with low payment rates, many providers are unable to financially accept Medicaid patients. By raising Medicaid payment to the level of Medicare, the legislature will address a major barrier to providing care for individuals on Medicaid.

I am happy to answer any questions and provide additional information you might need. If you have any questions or concerns, you can reach me directly via email [president.apta.hawaii@gmail.com](mailto:president.apta.hawaii@gmail.com) or phone 808-546-0937.

Yours in health,

Dr. Nick Bronowski, PT  
President- APTA Hawaii  
Physical Therapist  
Board Certified Clinical Specialist in Orthopaedic Physical Therapy  
Adjunct Faculty- Hawai'i Pacific University- Doctor of Physical Therapy Program

**SB-397-SD-1**

Submitted on: 2/9/2023 5:09:40 AM

Testimony for WAM on 2/10/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Macey Min-Chu Luo-Souza	Individual	Support	Written Testimony Only

Comments:

**Written Testimony Presented Before the**

**Senate Committee on Ways and Means**

**Friday, February 10, 2023 at 10:30 A.M.**

**Room 211 and via videoconference**

**by**

**Ms. Macey Min-Chu Luo-Souza, APRN**

**Private Practice**

**TESTIMONY IN SUPPORT WITH AMENDMENTS of SB 397, SD1**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Committee on Ways and Means. Thank you for the opportunity to testify in support with amendments of SB 397, SD1.

I am a Psychiatric APRN with a Private Practice in Chinatown, Honolulu that offers psychotherapy and if needed, medication management to children, adolescents, and adults. Nearly all my clients I serve have a Medicaid, Medicare, or dual Medicare and Medicaid insurance plan. From October 2022 through January 2023, this included 90-100% of client sessions.

Due to the increased complexity in reimbursement issues, lower reimbursement rates, and time-consuming amount of paperwork to submit to certain Medicaid and Medicare insurance plans, I have had to limit my ability to accept new clients over the last 5 years. As a solo provider in my private practice, it has been difficult to provide access to care for new clients when the extensive amount of work completed is not properly reimbursed. A lot of the time, the time spent on non-billable paperwork exceeds face to face (virtual) visits with clients. So many of my colleagues in their speciality have either stopped accepting clients with Medicaid or no longer accept new

clients due to various reasons. **All the systemic barriers for providers then becomes incredibly unfortunate in limiting access to care for increasing numbers in our community that are members of a Medicaid plan. This includes Hawai'i's youth, families, friends, neighbors, acquaintances.**

I am a member of the Hawai'i Association of Professional Nurses (HAPN) and I also agree that Medicare continues to discriminate care provided by Advanced Practice Registered Nurses (APRN) via their physician fee schedule by reimbursing APRNs 15% less than our physician colleagues providing similar care. APRNs like myself with private practices have the same overhead costs as our colleagues. Therefore, I am hopeful in your consideration of the following amendment previously brought up in HAPN's written testimony (For February 3, 2023 Hearing) "...increase medicaid payments to eligible health care professionals in the State ~~up to~~ at one hundred per cent of the current medicare rates." (page 2 line 17).

In Hawai'i, health care professionals are in high demand yet in low supply, particularly on the neighbor islands and in rural and underserved areas of our state. Advance Practice Registered Nurses (APRNs) are reimbursed at lower rates than physicians (80-85% of Physician Fee Schedule<sup>[1]</sup>) for Medicare, and even further reduced for Medicaid (65% of Physician Fee Schedule<sup>[2]</sup>). Despite the reductions in reimbursements for APRNs, this population of providers remain committed to servicing publicly-insured individuals. In the 2021 Nursing Workforce Supply Survey, we found that 92% provided care to Medicare and Medicaid patients in their average week.<sup>[3]</sup>

As the cost of healthcare rises, it is increasingly a challenge for APRNs to cover their clinical expenses. Because of the reduced rates, APRNs represented in the Hawai'i State Center for Nursing APRN Policy & Practice Taskforce have stated that their basic business expenses are not fully covered by reimbursement for services to Medicaid patients. This measure proposes the solution for the state to support the difference between Medicaid payments and Medicare payments. This would address the dissonance between the reimbursements and the costs of business, and therefore optimize access to care for Medicaid patients.

I commend the Legislature for introducing this measure. I express my gratitude to your committee for its commitment to the people of Hawai'i, and ensuring access to high-quality health care by our state's interprofessional healthcare workforce including APRNs.

Mahalo for considering this written **TESTIMONY IN SUPPORT WITH AMENDMENTS of SB 397, SD1** to increase Medicaid reimbursements to eligible health care professionals in the State **at** one hundred per cent of the current Medicare rates.

Respectfully submitted,

Ms. Macey Min-Chu Luo-Souza, APRN

Private Practice



[1] CMS. (2022). Advanced Practice Registered Nurses, Anesthesiologist Assistants, & Physician Assistants. <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/Medicare-Information-for-APRNs-AAs-PAs-Booklet-ICN-901623.pdf>

[2] Communication with Department of Human Services, June 2021

[3] Hawai'i State Center for Nursing. (2021). 2021 Hawai'i Nursing Workforce Supply Report. [http://www.hawaii-center-for-nursing.org/wp-content/uploads/2021/12/Statewide-Report-v.Final\\_.pdf](http://www.hawaii-center-for-nursing.org/wp-content/uploads/2021/12/Statewide-Report-v.Final_.pdf)



February 8, 2023

To: The Senate  
Thirty-Second Legislature, 2023 State of Hawai'i

From: East Hawaii Independent Physicians Association (dba Big Island Docs)

Subject: Support for SB397

Dear Senators,

We represent over 50 independent private practice providers on Hawai'i Island delivering care to over 50,000 patients. Our mission is to provide access to quality care in our community. We urge the legislature to appropriate funds to increase Medicaid reimbursements to eligible health care professionals in Hawai'i to 100% of Medicare rates. This will help our providers improve access for Medicaid patients. Currently, the private sector providers have less incentive to see Medicaid patients due to the low reimbursement rates. Our providers are struggling to keep their clinics open in a region that has a severe shortage of physicians. Hawai'i has the largest percentage of physicians in private practice in the nation and it is important that the private practice of medicine remain sustainable for the health and well-being of our community. Our community risks losing even more physicians as their operations become financially unsustainable.

On behalf of our membership, we urge you to pass SB397 into law.

Mahalo,

A handwritten signature in black ink, appearing to read "Lynda Dolan".

Lynda Dolan, MD  
President

A handwritten signature in black ink, appearing to read "Brenda Camacho".

Brenda Camacho, MD  
Secretary & Treasurer

A handwritten signature in black ink, appearing to read "Craig Shikuma".

Craig Shikuma, MD  
Medical Director, BIHC

[www.bigislanddocs.com](http://www.bigislanddocs.com)

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February 10, 2023

**To: Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Senate Committee on Ways and Means**

From: Hawaii Association of Health Plans Public Policy Committee

Date/Location: February 10, 2023; 10:30 a.m., Conference Room 211/Videoconference

**Re: Testimony in support of SB 397 – Relating to Professional Medicaid Services**

The Hawaii Association of Health Plans (HAHP) appreciates the opportunity to testify in support of SB 397. HAHP is a statewide partnership that unifies Hawaii's health plans to improve the health of Hawaii's communities together. A majority of Hawaii residents receive their health coverage through a plan associated with one of our organizations.

HAHP believes in providing our members with access to quality care. Medicaid enrollment is up more than 40% and includes nearly a third of the residents in our state. One out of three babies born and one out of two keiki are covered through Medicaid. Medicaid also covers many individuals who are frail, elderly, disabled, homeless, with chronic conditions, and in long-term care. Providers are in short supply, particularly in rural areas, and access to care is critically important. Investing in Medicaid and increasing Medicaid reimbursement rates to health care providers would strengthen our critical health care workforce, support the health care ecosystem, and, most importantly, improve access to care for the residents of Hawaii.

Thank you for the opportunity to testify on SB 397.

Sincerely,

HAHP Public Policy Committee  
cc: HAHP Board Members

AlohaCare | HMAA | HMSA | Humana | HWMG | Kaiser Permanente | MDX Hawaii | Ohana Health Plan | UHA Health Insurance | UnitedHealthcare

[hahp.org](http://hahp.org) | 818 Keeaumoku Street, Honolulu, HI 96814 | [info@hahp.org](mailto:info@hahp.org)

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SENATE COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

RE: **TESTIMONY IN SUPPORT OF SB 397 SD 1**  
**RELATING TO PROFESSIONAL MEDICAID SERVICES**  
Hearing: Friday, February 10, 2023

Dear Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee:

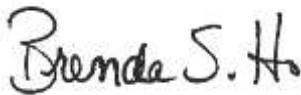
Thank you for the opportunity to provide testimony in SUPPORT of SB 397 SD 1 relating to Professional Medicaid Services.

Hawaii has an acute shortage of physicians, growing aging population and a significant number of residents receiving Medicaid coverage, now is the time to begin discussions and take action to attract and retain health care providers. The purpose of this Act is to appropriate funds to increase Medicaid reimbursements to eligible health care professionals to match the current Medicare fee schedule, recognizing the challenges they face in sustaining their practices in the State of Hawaii.

Hawai'i Care Choices is a nonprofit, tax-exempt charitable organization which exists to provide compassionate, holistic, palliative care to patients facing a serious or life-limiting illness and their loved ones who care for them. In addition, our organization is committed to providing the community-at-large with bereavement support and grief counseling.

**We respectfully request passage of SB 397 SD1 and amending the effective date of the Act from December 31, 2050 to July 1, 2023.**

Sincerely,



Brenda S. Ho, MS, RN  
Chief Executive Officer



February 10, 2023

The Honorable Donovan Dela Cruz, Chair  
The Honorable Gilbert Keith-Agaran, Vice Chair  
Senate Committee on Ways and Means

Re: SB 397 – Relating to professional Medicaid services.

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of SB 397, which will appropriate funds to increase Medicaid payments to eligible health care professionals in the State up to one hundred per cent of the current Medicare rates

HMSA believes that efforts to expand access to quality health care for all Hawaii residents, including for QUEST members and those living on the Neighbor Islands, who have a smaller network of providers available to them, will only help to strengthen our community. This bill will continue to support and strengthen our provider core, especially physicians who may be financially challenged due to inflation, labor shortages, and higher operational costs. We hope the higher payments to physicians will provide more access to care for QUEST members and can additionally help to address health inequities.

Currently, HMSA is already paying one hundred percent of the 2020 Medicare rate for primary care services under MedQUEST's ACA PCP Enhancement program and we look forward to continuing to support our providers in strengthening the health of Hawaii.

Thank you for the opportunity to testify in support of SB 397.

Sincerely,

Dawn Kurisu  
Assistant Vice President  
Community and Government Relations



To: Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Senate Committee on Ways and Means

From: Paula Arcena, External Affairs Vice President  
Mike Nguyen, Public Policy Manager

Hearing: Friday, February 10, 2023, 10:30am

RE: **SB397, SD1 Relating to Professional Medicaid Services**

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AlohaCare appreciates the opportunity to provide testimony in **support of SB397, SD1**. This measure will increase Medicaid reimbursements to eligible health care professionals to match the current Medicare fee schedule.

Founded in 1994 by Hawai'i's community health centers, AlohaCare is a community-rooted, non-profit health plan serving over 80,000 Medicaid and dual-eligible health plan members on all islands. Approximately half of our membership are keiki. We are Hawai'i's only health plan exclusively dedicated to serving Medicaid beneficiaries. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for access to quality health care for all. We believe that health is about supporting whole-person health needs.

AlohaCare is committed to improving access to care and strengthening the Medicaid program. As you know, Medicaid enrollment in our State has grown by over 40% from 330,000 enrollees in March 2020 to 460,000 in January 2023. This tremendous growth has put a further strain on our already challenged provider capacity in the State, especially in rural areas. There is evidence that reimbursement rates are an important determinant of access to care, health care utilization, and health status among Medicaid recipients. Researchers also found rate increases reduced reported school absences among primary school-aged Medicaid recipients by 14%.<sup>1</sup>

AlohaCare will utilize this rate increase to recognize and reward current participating providers and welcome new providers to the Medicaid network. We fully support this measure as a significant way to strengthen Hawai'i's Medicaid program by investing in our State's provider workforce and improve access to care for the residents of Hawai'i.

Mahalo for this opportunity to testify in **support of SB397, SD1**.

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<sup>1</sup> "Increased Medicaid Reimbursement Rates Expand Access to Care", NBER, [The Bulletin on Health](#), Oct 2019.

**LATE**

Be

Dr.  Smith

FAMILY MEDICINE

**Esther Y. Smith, MD**

—

Dr. Smith Family Medicine  
79-7266 Mamalahoa Hwy Ste #3  
Kealahou, HI 96750

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Feb 9, 2023

I write in support of HB662.

I provide personal, quality primary care to some 2,500 patients with 4-8 new patients coming in every week. My clinic is one of many in Hawaii that is on the edge of closure.

I take every form of state Medicaid because I believe in health care equality enough that I have made incredible financial, emotional, and physical sacrifices to provide it. However, no one should be asking that of future providers, and it certainly isn't a recruitment strategy.

When I started my clinic 4 years ago, I did so on the back of my mainland hospitalist job. I was looking to re-enter primary care and I made the decision to come to Big Island after a call with a Hawaiian woman where she told me how her families family physician had retired and she begged me to come take his place. I discovered that Big Island had a horrible primary care crisis and thought I could both make a living and help people: if there were so many patients needing care clearly I worked nightshifts at my hospital in Arizona to support myself and my new business. I had left my hospital job when I thought I could support myself and the clinic after I had taken on the second panel of patients I had been asked to take. It was February 2020.

My clinic was open through the pandemic, providing in person care throughout the early days when we had no treatments or vaccines. We often saw only one or two people in person and it was a struggle. I

took on my third panel of patients from a retiring doc June of 2020. We continued to grow and in January of 2022 I hired a nurse practitioner with the plan to take on our 4<sup>th</sup> panel from a retiring physician. I thought that since we would have some many more patients and patient visits that we should be able to support the increased staffing. Sadly, this has not been the case, the cost of seeing more patients is causing us to lose money. The clinic is currently being supported by my retirement savings from the mainland and we will be reducing our staff soon.

I'm just an example. Reimbursement in Hawaii doesn't keep clinics or hospitals open. Funding through grants and large corporations with their large contracts keep facilities open. These monies still come from state and federal sources – but somehow funding health care by channeling expenditures through emergency spending and huge organizations is more palatable to policy makers. I ask why it isn't possible to just pay providers appropriately for the work they do directly by increasing Medicaid payments to at least 100% of Medicare rates and to 110% as they do in Alaska. Further, having unfair taxes on providers who see Medicare, Medicaid and Tricare patients is so counterproductive it is inexplicable.

Inflation and the increases in home prices would make it impossible for someone like me to do what I did in 2019. I am taking on a hospital position to keep our doors open. No amount of student loan repayment or increases in med-school class size will recruit or retain providers if reimbursement and tax rates remain unchanged.

Please intervene for my patients who rely on me and my staff who love to serve them.



Esther Y. Smith, MD



To: The Honorable Donovan M. Dela Cruz, Chair  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair  
Members, Senate Committee on Ways and Means

From: Jace Mikulanec, Director, Government Relations, The Queen's Health System

Date: February 10, 2023

Re: Testimony in Support of SB397 SD1: Relating to Professional Medicaid Services

The Queen's Health System (Queen's) is a nonprofit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, and more than 10,000 affiliated physicians, caregivers, and dedicated medical staff statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to testify in **support** of SB397 SD1, which appropriates funds to increase Medicaid payments to eligible health care professionals in the State up to one hundred per cent of the current Medicare rates. We commend the stakeholder community, Administration, and Legislature for recognizing the overall positive impact these additional funds will have on our statewide healthcare system. The increase in funding will expand the likelihood of more healthcare professionals taking on Medicaid patients and by extension increase the probability that more Medicaid recipients will see a provider.

Having access to quality, timely healthcare services and a robust healthcare workforce is critical to reaching our shared goal of reducing health disparities. This funding helps create more opportunities for people to see the providers they feel most comfortable within their own communities - this is even more so the case on our neighbor islands where issues of access are pronounced.

Primary care, specialty care, and behavioral health professionals have an overwhelming desire to treat patients of all backgrounds. The Hawaii Medicaid professional fee schedule is currently set at 60% of Medicare for the majority of professional services. This low reimbursement rate has a negative impact on the ability of medical professionals to treat an increased number of Medicaid patients. The current Medicaid professional fee schedule also increases the challenge of recruiting and retaining providers in the state since Hawai'i is competing against the rest of the nation for an adequate workforce.

Mahalo for your support of this measure and for your investment in our state's healthcare system.

*The mission of The Queen's Health System is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.*



**LATE**

**Hawaii Medical Association**

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814  
Phone: 808.536.7702 • Fax: 808.528.2376 • hawaiimedicalassociation.org

**SENATE COMMITTEE ON WAYS AND MEANS**

Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Date: February 10, 2023  
From: Hawaii Medical Association  
Beth England MD, Co-Chair, HMA Public Policy Committee

Re: SB 397 RELATING TO PROFESSIONAL MEDICAID SERVICES.  
Position: Support

The worsening healthcare crisis in Hawaii is a tremendous hardship and source of suffering for our citizens. Enrollment in Hawaii MedQUEST (Medicaid program) has jumped 40% since the start of the COVID-19 pandemic. The 2022 Access to Care CDC-funded comprehensive statewide survey of patients and providers found that low-income individuals experience incredible delays and barriers to healthcare services. Native Hawaiians and Pacific Islanders are particularly affected.

Causes for healthcare disparities are multifactorial, but are unquestionably linked to the unremitting decline in our Hawaii physician workforce. The estimated unmet need for physicians is approximately 776 full-time equivalents (FTE) with percentage shortages most profound on the Big Island.

	Hawai'i County	Honolulu County	Kaua'i County	Maui County	Statewide
Shortage	183 (187)	382 (344)	45 (43)	167 (158)	776 (732)
Percent	37% (40%)	15% (15%)	26% (26%)	40% (40%)	22% (22%)

While efforts toward expansion of healthcare training programs and loan repayment play a vital role in physician recruitment and retention, they do not address the challenge facing many physicians currently practicing in Hawaii. A large number of the physician practices do not have the financial capacity to continue providing quality care in the face of ever-decreasing Medicaid reimbursements, particularly when they are not reimbursed at Medicare rates.

**2023 Hawaii Medical Association Officers**

Angela M. Pratt, MD, President • Elizabeth Ann Ignacio, MD, President Elect • Michael Champion, MD, Immediate Past President  
Nadine Tenn-Salle, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

**2023 Hawaii Medical Association Public Policy Coordination Team**

Elizabeth Ann Ignacio, MD, Chair • Beth England, MD, Co-Chair  
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

As more physician practices are crushed under the heavy weight of practice expenses, our most vulnerable patients, particularly those in rural and underserved communities, cannot access local providers in a timely fashion to receive the diagnosis and treatment they desperately need. HMA urges legislators to support increasing Medicaid reimbursements as a reasonable and essential step in the future survival and sustainability of our Hawaii healthcare. Thank you for allowing the Hawaii Medical Association to testify in support of this measure.

### **References and Quick Links:**

Cocke S. Hawaii Medicaid enrollment up 40% since start of pandemic. Honolulu Star Advertiser Dec 19 2022.

University of Hawaii System Annual Report. Report to the 2023 Legislature. Annual Report on findings from the Hawaii Physician Workforce Assessment Project. Dec 2022.

Access to Care. Health for our communities. Community First Hawaii. July 2022 Report.

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**SB-397-SD-1**

Submitted on: 2/7/2023 6:23:23 PM

Testimony for WAM on 2/10/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lynn Murakami Akatsuka	Individual	Support	Written Testimony Only

Comments:

I am in strong support of the passage of SB 397, SD 1. We can't afford to lose any more healthcare providers from all the islands. This is of utmost urgency for its passage this legislative session.

**SB-397-SD-1**

Submitted on: 2/7/2023 6:52:38 PM

Testimony for WAM on 2/10/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Dana Keawe	Individual	Support	Written Testimony Only

Comments:

support

**SB-397-SD-1**

Submitted on: 2/7/2023 8:42:57 PM

Testimony for WAM on 2/10/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Janet Onopa MD	Individual	Support	Written Testimony Only

Comments:

I am a primary care physician who has taught resident physicians and students all my career, and worked in Honolulu for over 35 years in Internal Medicine. In talking with my colleagues in private practice, almost all do not accept Medicaid patients. I was initially surprised to discover this, because I taught these docs as residents and I knew they intended to care for underserved and poor populations when they started practice-- many had a passion to serving the needs of folks who were not well off. But a year or two into private practice, they found that they literally could not take Medicaid patients and maintain financial viability in their practice. They said when they figure the cost of reimbursement, they are losing money on each Medicaid visit because the costs of their practice aren't covered by those payments. So, the doors close. In Hawaii, care for people with Medicaid has fallen mainly on the FQHC's, who get supplemental reimbursement and whose care model is targeted to serving the underserved, to manage these patients, but those clinics cannot possibly stretch far enough to care for all the Medicaid folks who need care in our state! This bill is sorely needed to expand access to our population and not relegate all those with Medicaid to long wait times and unavailable primary care providers, and allow the PCPs to care for people as they truly want to, and at a rate that won't cause them to go financially "into the red". I strongly support this bill, and I believe it is long overdue!



**SB-397-SD-1**

Submitted on: 2/8/2023 8:33:03 AM

Testimony for WAM on 2/10/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Elena Cabatu	Testifying for Hilo Medical Center	Support	Written Testimony Only

Comments:

Hilo Medical Center is in full support of SB 397, RELATING TO PROFESSIONAL MEDICAID SERVICES.

**SB-397-SD-1**

Submitted on: 2/9/2023 9:14:02 AM

Testimony for WAM on 2/10/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
stephanie marshall	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill as a registered nurse for 45 years. Please support and pass this bill.  
Thank you for your time.

Stephanie Marshall , RN

**LATE**

**SB-397-SD-1**

Submitted on: 2/9/2023 11:49:07 AM

Testimony for WAM on 2/10/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Julia Lindbergh	Individual	Support	Written Testimony Only

Comments:

I am in favor of SB397 as written. Thank you

Julia M Lindbergh, RN Big Island East Hawaii

**LATE**

Senate Committee on Ways and Means  
February 10, 2023; Conference Room 211

To: Chair Donovan M Dela Cruz

Vice Chair Gilbert S.C. Keith-Agaran

**Re: Strong Support of SB 397 SD1, Relating to Professional Medicaid Services**

I am writing in support of SB 397 which recommends appropriation of funds to increase Medicaid payments to eligible health care professionals in the State up to one hundred per cent of the current Medicare rates. I would also like to respectfully suggest that the list of eligible health care professionals to include dentists, dental hygienists and other oral health professionals that would be recognized by the state of Hawaii licensure laws.

I work for an organization that supports Adults with Intellectual and Developmental Disabilities through the Home and Community Based Services waiver program. Many of the adults that I work with have Medicaid as their primary health insurance. Many families have discussed difficulty accessing a variety of health professionals including oral health professionals on the island of Kauai. This bill would work to support that effort to increase opportunities for health care services.

**Submitted by:**

Anne Hvizdak, BSDH  
Dental Hygienist  
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[Hvizdak11@gmail.com](mailto:Hvizdak11@gmail.com)