



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

February 3, 2023

The Honorable Senator Joy San Buenaventura, Chair
Senate Committee on Health and Human Services
The Thirty-Second Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Senator Buenaventura and Committee Members:

SUBJECT: SB397 Relating to Professional Medicaid Services

The Hawaii State Council on Developmental Disabilities **SUPPORTS SB397**, which appropriates fund to increase Medicaid payments to eligible health care professionals in the State up to one hundred percent of the current Medicare rates.

During the Council's annual legislative forums, which we have held for over a decade, we have heard of the ongoing struggle of individuals with developmental disabilities to find a specialist in the medical field who will take Medicaid. Not only because the reimbursement rate is so low, but the amount of paperwork it takes to bill for the lower rate, isn't worth it for many specialists. Following the Covid-19 pandemic, this need has grown even higher, especially on the neighboring islands of Oahu.

We are hopeful that the increase to Medicaid reimbursements to eligible health care professionals will increase service providers. We also believe, to increase service professionals the Medicaid billing system needs to be simplified so medical professionals can bill for services and be paid in a timely manner.

Thank you for the opportunity to submit testimony in **support of SB397**.

Sincerely,

Daintry Bartoldus
Executive Administrator

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 2, 2023

TO: The Honorable Senator Joy A. San Buenaventura, Chair
Senate Committee on Health & Human Services

FROM: Cathy Betts, Director

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

Hearing: February 3, 2023, 1:00 p.m.
Conference Room 225, 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: The purpose of the bill is to 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.

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 reimbursement than they would if the resident were covered by private healthcare insurance.

Part 2

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. 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.



ALOHACARE

To: The Honorable Joy San Buenaventura, Chair
The Honorable Henry Aquino, Vice Chair
Senate Committee on Health and Human Services

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

Hearing: Friday, February 3, 2023

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

AlohaCare appreciates the opportunity to provide testimony in **support of SB397**. 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 care.

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%.¹

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**.

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



1001 Bishop Street | Suite 625 | Honolulu, HI 96813-2830
1-866-295-7282 | Fax: 808-536-2882
aarp.org/hi | aarphi@aarp.org | twitter.com/AARPHawaii
facebook.com/AARPHawaii

LATE

The State Legislature
Senate Committee on Health and Human Services
Friday, February 3, 2023
Conference Room 225, 1:00 p.m.

TO: The Honorable Joy San Buenaventura, Chair
RE: Support of Intent for S.B. 397 Relating to Professional Medicaid Services

Aloha Chair San Buenaventura and Members of the Committee:

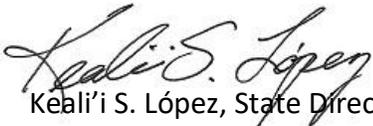
My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social mission organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for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

AARP supports S.B. 397 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**.

Sincerely,


Keali'i S. López, State Director



February 2, 2023

The Honorable Joy San Buenaventura, Chair
The Honorable Henry Aquino, Vice Chair
Senate Committee on Health and Human Services

Senate Bill 397 – Relating to Professional Medicaid Services

Dear Chair San Buenaventura, Vice Chair Aquino, and Members of the Committee:

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 significantly and includes nearly a third of the residents in our state. One out of two babies born and one out of four 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 allowing us to testify expressing our **support** for SB 397.

Sincerely,

HAHP Public Policy Committee

cc: HAHP Board Members

hahp.org | 818 Keeaumoku St., Honolulu, HI 96814 info@hahp.org

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



February 3, 2023
Conference Room 225

Senate Committee on Health and Human Services

To: Chair Joy A. San Buenaventura
Vice Chair Henry J.C. Aquino

From: Hilton R. Raethel
President and CEO
Healthcare Association of Hawaii

Re: **Strong Support**
SB 397, 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 Health and Human Services
Friday, February 3, 2023 at 1:00 P.M.
Room 225 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 S.B. 397

Chair San Buenaventura, Vice Chair Aquino, and members of the Senate Committee on Health and Human Services, thank you for the opportunity to testify in support of S.B. 397.

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 Schedule¹) for Medicare, and even further reduced for Medicaid (65% of Physician Fee Schedule²). 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.³

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.

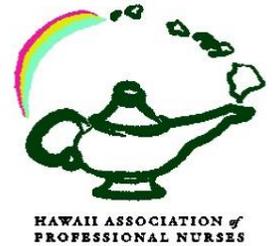
¹CMS. (2022). Advanced Practice Registered Nurses, Anesthesiologist Assistants, & Physician Assistants. <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/Medicare-Information-for-APRNs-AAAs-PAs-Booklet-ICN-901623.pdf>

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.hawaiiicenterfornursing.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.

Hawai'i Association of Professional Nurses (HAPN)



To: The Honorable Senator Joy San Buenaventura, Chair of
the Senate Committee on Health and Human Services; and

From: Hawaii Association of Professional Nurses (HAPN)
Subject: SB397 – Relating to Professional Medicaid Services, in
Support with amendments

Hearing: February 3, 2023, 1p.m.

Aloha Senator San Buenaventura, Chair; Senator Aquino, Vice Chair; and Committee Members,

Thank you for the opportunity to submit testimony regarding SB397. HAPN stands with the Governor as well as countless community organizations, private practices throughout the state, and all residents of Hawaii who receive Medicaid Services. HAPN believes that healthcare access in Hawaii is at a point where provider supply is not in line with healthcare demand. As such, HAPN is in **Support with amendments** of appropriating funds to increase Medicaid payments to eligible health care professionals. **We respectfully request the following amendment** "... 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). At this time, **Medicare discriminates care provided by Advanced Practice Registered Nurses (APRN)** via their physician fee schedule **by reimbursing our profession 15% less** than our physician colleagues providing similar care. APRNs who have opened their own practices have the same overhead costs as our colleagues.

HAPN strongly supports the intent of this bill, however, we would like to ensure equity in reimbursement to keep our clinic doors open to provided much needed care. As noted in this bill, APRNs who accepted Medicaid during the Corona virus pandemic provided much needed services in our communities. During this time, "Medicaid enrollment has increased forty percent".

HAPN's mission, to be the voice of APRNs in Hawaii, has been the guiding force that propelled us to spearhead the advancement of patients access to healthcare as well as supporting the recognition of the scope of practice for APRNs in Hawaii which led us to full practice authority. We have worked to improve the physical and mental health of our communities. As our ability to provide close care with our patients progressed, we also opened up our own clinics to provide the care our patients deserve. APRNs have played an important role in the healthcare of our communities and we will continue to be by our patients' side.

HAPN respectfully asks your Committee to pass this bill with amendments. Thank you for the opportunity to share the perspective of HAPN with your committee. Thank you for your enduring support of the nursing profession in the Aloha State.

Respectfully,
Dr. Jeremy Creekmore, APRN
HAPN President

Dr. Bradley Kuo, APRN
HAPN Legislative Committee, Chair
HAPN Past President

Testimony of
Jonathan Ching
Government Relations Director

Before:
Senate Committee on Health and Human Services
The Honorable Joy A. San Buenaventura, Chair
The Honorable Henry J.C. Aquino, Vice Chair

February 3, 2023
1:00 p.m.
Conference Room 225 & Via Videoconference

Re: SB 397, Relating to the Professional Medicaid Services

Chair San Buenaventura, Vice Chair Aquino, and committee members, thank you for this opportunity to provide testimony on SB 397, 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.

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.



PALOLO CHINESE HOME
Better Care. Better Lives

February 3, 2023
Conference Room 225

Senate Committee on Health and Human Services

To: Chair Joy A. San Buenaventura
Vice Chair Henry J.C. Aquino

From: Darlene H. Nakayama, RN, CEO
Palolo Chinese Home

Re: **Strong Support**
SB 404, Relating to the Hospital Sustainability Program

Palolo Chinese Home is a private, 501(c)(3) non-profit charitable organization and has been serving Hawaii's seniors for more than 125 years. Palolo Chinese Home was originally established to serve Chinese plantation workers who had no families in Hawaii to support them. Today, it serves all seniors, regardless of race, religion, nationality, or ethnic origin. PCH provides hospice, skilled rehab/nursing, residential care, day care, home care and meals to go. Almost 50% of PCH's nursing home residents are Medicaid. Medicaid services are also provided in PCH's meals to go, day care and home care programs.

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 ranks 47th 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.

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.

SB-397

Submitted on: 1/31/2023 3:19:44 PM

Testimony for HHS on 2/3/2023 1:00:00 PM

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

Comments:

Hilo Medical Center supports SB 397.



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 Health and Human Services
Friday, February 3, 2023 at 1:00 p.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 – RELATING TO PROFESSIONAL MEDICAID SERVICES

Chair San Buenaventura, Vice Chair Aquino, and Members of the Committee:

Thank you for the opportunity to provide testimony in SUPPORT of SB 397 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 Hawai'i 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.

SB-397

Submitted on: 2/1/2023 11:49:51 AM

Testimony for HHS on 2/3/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jud Cunningham	Testifying for Aloha House	Support	Written Testimony Only

Comments:

Support.



February 2, 2023

The Honorable Joy San Buenaventura, Chair
The Honorable Henry Aquino, Vice Chair
Senate Committee on Health and Human Services

Senate Bill 397 – Relating to Professional Medicaid Services

Dear Chair San Buenaventura, Vice Chair Aquino, and Members of the Committee:

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 significantly and includes nearly a third of the residents in our state. One out of two babies born and one out of four 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 allowing us to testify expressing our **support** for SB 397.

Sincerely,

HAHP Public Policy Committee

cc: HAHP Board Members

hahp.org | 818 Keeaumoku St., Honolulu, HI 96814 info@hahp.org

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

THE KŪPUNA CAUCUS



Feb 1 2023

**TO: The Committee on Health and Human Services
Chair Senator Joy A San Buenaventura
Vice Chair Senator Henry J.C. Aquino**

**Concerning: SB314, SB397, SB404, SB102, SB761, SB1477, SB1035, SB1118, SB1128,
SB1134, SB1239, SB1348**

POSITION: Enthusiastic Support of all bills

ALOHA Chair Buenaventura and Vice Chair Aquino, and all members of the committee

On behalf of the Kupuna Caucus' Health and Medical Services sub-committee I am testifying in support of all of the proposed legislation as listed above.

Each one represents a vital step towards keeping our medical professionals here in Hawaii and keeping practitioner offices open for everybody but especially for seniors who often depend on Medicare and Medicaid for health related care and procedures.

Currently it is almost impossible for individual doctors to maintain their own offices without 2 to 4 additional doctors sharing the financial burdens. The extraordinary amount of insurance related paperwork they must file to get paid is over whelming and complicated and often redundant. They have to hire accounting specialists to deal with it so only Medical Corporations survive under those conditions.

I have done my own research and ever single doctor I spoke with (and every doctor my friends/fellow seniors from precinct 2 District 27spoke with) said that the one thing that is affecting them the most are the State's excise taxes which are being addressed in SB102, 761, 1472, 1035, 1118, 1128,1134,1239, and 1348.

When patients receive a bill, they usually do not pay the tax themselves, even if their insurance Company does not pay the tax. The same applies to medical products, prescriptions, any and all support services provided by health and medical practices. In addition Medicare and Medicaid covered bill also never pay the state tax leaving the practitioners or health related institutions and facilities to cover the taxes out of pocket. A number of doctors do not accept Medicare and/Medicaid covered clients or are forced to refer current clients to other medical groups for that reason. This is as concerning as the shortage of doctors all over the state. These bills are what our state can do to encourage them to stay.

Martha E Randolph
Precinct 2 Rep, District 27 Council
DPH Environmental Caucus SCC Representative and
Member of the DPH Legislative Priorities Committee

SB-397

Submitted on: 2/1/2023 6:58:30 PM

Testimony for HHS on 2/3/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Scott Grosskreutz, M.D.	Testifying for Hawaii Provider Shortage Crisis Task Force	Support	Written Testimony Only

Comments:

In the U.S., most medical providers find that their practices often lose money providing services for Medicaid patients. In many states, these practices have a cushion from private insurance companies that provide reimbursements substantially higher than Medicaid and Medicare rates.

In Hawaii, providers have the highest costs of providing medical services in the national, while local private insurance companies often reimburse near or below Medicare rates. There simply is no financial cushion to be able to absorb losses, and yet Medicaid patients deserve full access to healthcare. To complicate the challenges, Hawaii healthcare providers in private practice are taxed by the GET on their gross revenues, which amplify practice losses.

This bill should help preserve access to healthcare for our community members on the Medicaid insurance program.

KAUAI COMMUNITY HEALTH ALLIANCE

2460 Oka Street
Kilauea, Kauai, HI 96754
808.828.2885 phone • 808.828.0119 fax
www.kauai-medical.org
winkler@kauai-medical.org (email)

February 1, 2023

Re: Support of SB397

I am submitting testimony to hopefully put a human face on our State's healthcare access crisis. I am a medical provider and CEO of a non-profit rural primary care clinic on Kauai about to close due to insufficient funds. We have provided critical medical services for 25 years, seeing 15-20,000 visits a year. We are only surviving because of community donations. I myself took no salary for 8 months in 2022. The healthcare crisis in Hawaii is not a joke.

I will cut to the chase. The reason our facility along with most private medical practices are shutting their doors is due to low insurance reimbursements, particularly Medicaid Quest.

According to a 2020 Hawaii Workforce Assessment, of all the counties in the US, Kauai has the 13th worst access to medical care, Maui 5th and Big Island 3rd worst in the nation.

Our facility can't make payroll because insurance payments are below the cost of providing care. Twenty percent of Hawaii residents are on Medicare, and our state receives the lowest Medicare reimbursement in the country despite having the highest cost of living. Medicaid reimbursements are even worse than Medicare and make up 30% of Hawaii's insured population.

You have undoubtedly heard Hawaii can't attract young physicians, nor can we retain those we have. Same reason—lowest reimbursement in the US and highest COL. It doesn't matter how many new docs we graduate from JABSOM, they all leave for the mainland because they can't open a practice in Hawaii and survive.

Raising Medicaid reimbursements is critical if we are serious about keeping medical facilities open in rural Hawaii. Our outer island residents have a much higher all cause mortality. Cancer, heart disease, stroke, and suicide are all highest where clinics like ours are closing and access is unavailable.

This is not academic, this is grandma's diabetes, it's your sister's breast cancer, your friend with Parkinson's or heart disease, it's your children's school physicals, your neighbor's stroke, your depressed friend or aunty's fractured hip. This isn't a restaurant closing—It's access to primary healthcare.

Clinics all over are turning away Medicaid Quest patients in order to survive.

Raising Medicaid reimbursement is a leveraged investment in partnership with the Federal government. The healthcare access crisis is here, and as it accelerates it will take a generation to repair. Now is truly the time to act.

Please support SB397.

Respectfully,

KAUAI COMMUNITY HEALTH ALLIANCE

James Winkler, CEO
Kambria Beck Holder, MD and Chief Medical Officer
Art Brownstein, MD

LOCAL • A6
XARIKA CASTICIMO
CROWNED MISS
KAUA'I FILIPINA

75¢
*Serving Kaua'i
 and Ni'ihau since 1902*

KILAUEA MEDICAL CLINIC MAY CLOSE

CEO: 'Every month is a cliffhanger'

Guthrie Scrimgeour
THE GARDEN ISLAND

KILAUEA — The Kaua'i Community Health Alliance receives between 17,000 and 20,000 patient visits each year, providing a range of treatment to largely working-class people from the Ha'ena to Kapa'a.

They soon may be unable to keep their doors open, their CEO says.

"Every month is a cliffhanger," said Jim Winkler, who serves as CEO and president of KCHA while also practicing at the Hale Lea Medicine clinic.

"The clinic is currently running at a deficit. While we have not missed payroll in 28 years, we are not able to operate for much longer due to a confluence of circumstances."

The clinic has been in operation since 1994 and has functioned as a nonprofit since 2008. KCHA houses both the Hale Lea Medicine and Urgent Care and the North Shore Wellness Center. Since they treat a large number of underinsured patients, they struggle to make ends meet and rely on community support for a portion of their budget.

If the center were to close, it could result in significant disruption for its patients, who would have to scramble to access care in the limited North Shore market. There is only one primary-care clinic on the North Shore — the North Shore Medical Center — which has limited hours and a smaller staff than KCHA. The next closest clinic is Ho'ola Lahui in Kapa'a.

"A lot of those people (on the North Shore) don't want to go to Kapa'a. Location is an issue regardless of who is providing the services," said Dr. Kapono Chong-Hanssen, chief medical director at Ho'ola Lahui.

"We could take some of them, and if all of our community partners got together we could

SEE CLINIC, A4

Friday, February 3, 2023 at 1:00 PM
Via Video Conference; Conference Room 225

Senate Committee on Health and Human Services

To: Senator Joy San Buenaventura, Chair
Senator Henry Aquino, Vice Chair

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

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

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 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 47th 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.



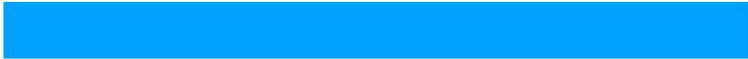
SB397 Increase Medicaid Rates
COMMITTEE ON HEALTH AND HUMAN SERVICES
Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair
Thursday, Feb 3, 2023: 1:00 Room 225

Hawaii Substance Abuse Coalition Supports SB397:

ALOHA CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization for substance use disorder and co-occurring mental health disorder treatment and prevention agencies.

STATES ARE INCREASING MEDICAID RATES FOR SUBSTANCE USE DISORDERS AND MENTAL HEALTH DISORDERS.

The pandemic has exacerbated mental health and substance use issues and [90% of Americans](#) believe the nation is in the midst of a mental health crisis. Despite increases in need, data show that treatment rates across all payers are [low](#). Documented workforce challenges contribute to barriers in access to care and nearly half of the US population – [47%](#) or 158 million people – living in a mental health [workforce shortage](#) area. Behavioral health conditions (i.e. mental health and substance use disorders) are most prevalent in Medicaid enrollees, with data from [2020](#) showing that approximately [39%](#) of Medicaid enrollees were living with a mental health or substance use disorder. Workforce challenges are widespread and go beyond Medicaid, but shortages may be exacerbated in Medicaid.¹



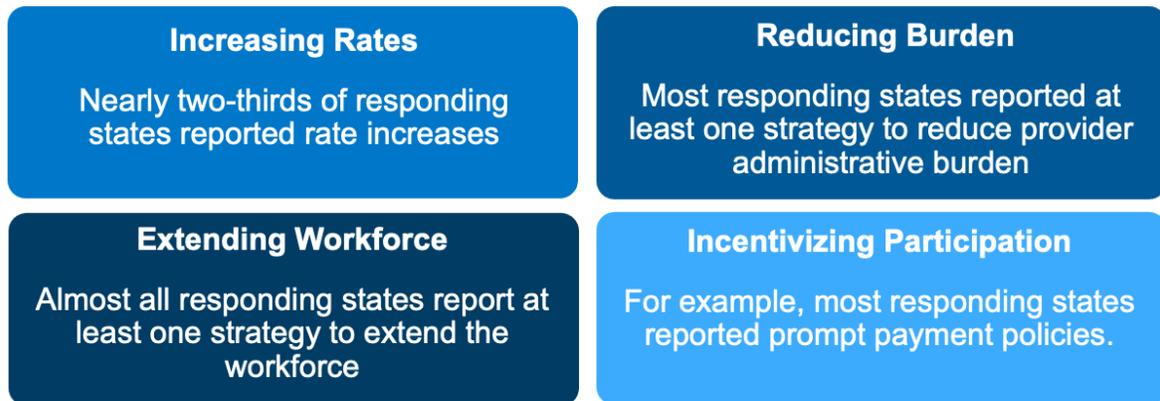
NEARLY 2/3 OF ALL RESPONDING STATES REPORT STRATEGIES FOR RATE INCREASES FOR BEHAVIORAL HEALTH IN 2023

¹ KFF A Look at Strategies to Address Behavioral Health Workforce Shortages: Findings from a Survey of State Medicaid Programs: Heather Saunders , Madeline Guth Follow @Madeline_Guth on Twitter , and Gina Eckart Published: Jan 10, 2023 <https://www.kff.org/medicaid/issue-brief/a-look-at-strategies-to-address-behavioral-health-workforce-shortages-findings-from-a-survey-of-state-medicaid-programs/>

State strategies to address the behavioral health workforce shortage fall into four key areas:

Figure 1

Key Medicaid Strategies to Address Behavioral Health Workforce Shortages in place or planned as of FY2022



SOURCE: Behavioral health supplement to the annual KFF survey of state Medicaid officials conducted by Health Management Associates, October 2022



STATES HAVE NEW FLEXIBILITY TO SET PROVIDER RATES

Lower Medicaid payment rates (relative to other payers) as well as disparities in pay between physical and mental health providers could limit participation in Medicaid and further exacerbate existing workforce shortages. States have considerable flexibility to set provider payment rates in fee-for-service. Managed care plans, which now serve most Medicaid beneficiaries, are responsible under their contracts with states for ensuring adequate provider networks and setting rates to providers, but states have several options to ensure that rate increases are passed to the providers that contract with managed care organizations (MCOs). The American Rescue Plan Act (ARPA) gave states temporary funding (primarily through an increase in the Medicaid match rate for home and community-based services (HCBS)) to increase certain provider rates or provide payments to attract or retain workers. COVID-19 Medicaid public health emergency (PHE) authorities gave states additional flexibility to adopt temporary rate increases.

We appreciate the opportunity to provide testimony and are available for further questions.

To: Committee on Health and Human Services

Hearing Date/Time: Friday, February 3, 223 1:00 PM

Re: Testimony in Strong Support of SB 397

From: Heather Lusk, Hawaii Health and Harm Reduction Center

Dear Chair San Buenaventura, Vice Chair Aquino and Members of the Committee:

The Hawaii Health & Harm Reduction Center (HHHRC) supports SB 397 which would appropriate funds to increase Medicaid payments to eligible healthcare professionals. Due to the pandemic, more people than ever have enrolled into MedQuest and they deserve the same high quality services that those on commercial plans get – which is challenging if the program doesn't have the funds to support the plans in reimbursing at similar rates to commercial coverage.

HHHRC's mission is to *reduce harm, promote health, create wellness and fight stigma in Hawaii and the Pacific*. We focus our efforts on those disproportionately affected by social determinants of health, including but not limited to: people living with and/or affected by HIV, hepatitis, substance use, and the transgender, LGBTQ and the Native Hawaiian communities.

HHHRC is credentialed with all of the MedQuest plans and offers behavioral health care, sexual health care and homeless healthcare for our community. We struggle each year to made up the deficit between the cost to provide these services and the reimbursements we get from the Medicaid plans. Since most of the population we serve is on Medicaid, we may have to reduce or close some of our programs if we cannot find grants to fill in the gaps. This bill would support providers like HHHRC in continuing to provide much needed services to our community.

Thank you for the opportunity to testify.

Heather Lusk, Executive Director, Hawaii Health and Harm Reduction Center



February 3, 2023
Conference Room 225

Senate Committee on Health and Human Services

To: Chair Joy A. San Buenaventura
Vice Chair Henry J.C. Aquino

From: Dee Robinson
Administrator
One Kalakaua Senior Living

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

Thank you for the opportunity to provide testimony in **strong support** of this measure, which addresses healthcare access challenges for Medicaid enrollees, and would strengthen our healthcare workforce by paying providers the same rate under the Medicaid program as they are paid under the Medicare program. 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. It is critical that our kupuna in assisted living have unhindered access to care.

Having access to quality, timely healthcare services and a robust healthcare workforce is critical to reaching our goals of reducing health disparities. 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.



To: The Honorable Joy San Buenaventura, Chair
The Honorable Henry Aquino, Vice Chair
Members, Senate Committee on Health & Human Services

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

Date: February 3, 2023

Re: Testimony in Support of SB397: 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, 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.

SB-397

Submitted on: 2/2/2023 11:14:05 AM

Testimony for HHS on 2/3/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Esther Smith	Individual	Support	In Person

Comments:

Once a week in the year 2023 I have recommended a patient move to the mainland to receive care for a life-threatening condition because providing adequate care to patients on Big Island has gone from difficult to sometimes impossible. When I complained to my colleagues who practice on Oahu I was shocked to learn the challenges I thought were unique to the neighbor islands exist on Oahu. These include but are not limited to long wait times for diagnostic tests and appointments with specialists. Lack of access and delays in care result in advanced disease and death. The provider shortage crisis has inevitably become a health care crisis.

Health care in Hawaii’s number one rating in US News and World report is a mirage that policy makers and health insurance companies conjure in to justify inaction. They use the argument that “we are number one for healthcare” to rationalize continuing systemic low reimbursement and punitive taxes while denying the deteriorating, dysfunctional health care system. Having the longest life expectancy in the nation is not a product of a robust healthcare system but is rather a gift from the islands and the culture it inspires. The people who live in Hawaii have lower rates of smoking and obesity, the beauty of the islands and the sprit of Aloha -that is why they live longer. Further US News and World Report also fails to appreciate that having an insurance card does not equal having access to care.

Increasing reimbursement is a crucial step in improving patient care and halting ongoing closures. SB397 would make Medicaid fees equal to Medicare fees. Medicaid in this state pays primary care approximately 53% of what is paid by Medicare. (Kaiser Family Foundation 2019) It is worth noting that Hawaii already has one of the lowest Medicare acceptance rates in the nation, Medicaid is markedly worse. Clinics and hospitals are operating in the red largely due to this unsustainable level of funding. Increases to Medicaid fee payments are a better way to address the health care crisis than grants. Grants can be distributed ineffectively or funneled to special interest groups: Paying more for care ensures that the people providing the care can keep their clinics and hospitals open.

The General Excise Tax on health care dis-incentivizes taking care of Medicare, Medicaid patients and our veterans because the taxes on healthcare services must be paid by the provider – by federal law. The financial impact of the tax is far greater than it would appear. If a clinic were to provide \$1,000,000 in services and like at my clinic 75% of them were Medicare, Medicaid and veterans then the tax that the clinic would pay on those services would be \$30,000. 85% or more of what the clinic brings in is spent of health insurance, wages and other overhead. This leaves \$150,000 in actual wages to the physician before taxes. After taxes this is about \$110,000 – this means the actual impact of the GET on the physician is more like 25% than 4. SB102, SB 761, SB SB1118, SB1128 would make a serious impact on health facilities all over the state.

It has been argued that the provider shortage is not due to punitive taxes or low reimbursement- Instead, we are told the lack of doctors is because it is difficult to train enough docs to keep up with retirements and people going to the mainland. Further it is said that the goal shouldn't be to replace doctors because health care is evolving. And it is evolving, it is evolving to a system where the people who rely on Medicare and Medicaid are served by CVS minute clinics, giant health systems and overburdened federally qualified access clinics while the prosperous are seen by the few remaining private practice physicians who have been forced stopped taking insurance altogether.

It doesn't have to be this way but it soon will be. We do not have to lose the small clinics the same way we lost the mom and pop pharmacies My own clinic teeters at the edge of closure. My nurse practitioner is taking a voluntary leave of absence to ease the strain because her seeing more patients doesn't cover the costs. In our seeing more people actually loses us money. This month, instead of being paid, I have started using my retirement savings that I accrued before I moved to Hawaii to meet our expenses. This is the final stand for us. Removing the GET from healthcare and paying for Medicaid services at the same rate as Medicare will save clinics and hospitals. It may be too late for mine, even if these bills were to be enacted today, but you can save other facilities. In saving the clinics and hospitals you will be saving people. Please act now.

SB-397

Submitted on: 2/1/2023 4:09:07 PM

Testimony for HHS on 2/3/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dara Yatsushiro	Individual	Support	Written Testimony Only

Comments:

Stand in SUPPORT

SB-397

Submitted on: 2/1/2023 3:59:26 PM

Testimony for HHS on 2/3/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dr. Guy Yatsushiro	Individual	Support	Written Testimony Only

Comments:

Support

Support for SB397

I am a physician on the Big Island and the president of Hawaii Radiologic Associates, LLC. We provide radiology services for almost the entire island. We were once a group of 15 radiologists and now there are only 6 of us left which required us to join a mainland radiology group. We can no longer provide services without the support of a larger group and subsidize our work with areas on the mainland who have much better reimbursements. The 6 of us love this island and call Hawaii home but we cannot recruit any one to join us because of the poor pay and high expenses. My son, a recent graduate of John A Burns School of Medicine, will also be a radiologist and would like to return home but will not be able to unless the environment changes. He has student loans to pay off in addition to the high cost of food, medical care and housing in Hawaii should he choose to move home. It is time to do something significant for the private practitioners so everyone will receive adequate health care in Hawaii. Thank you.

SB-397

Submitted on: 2/2/2023 10:10:56 AM

Testimony for HHS on 2/3/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chad Imanaka	Individual	Support	Written Testimony Only

Comments:

Strongly support this to increase providers who are willing/able to care for this underserved patient population.

SB-397

Submitted on: 2/2/2023 11:40:12 AM

Testimony for HHS on 2/3/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jennifer A Cook	Individual	Support	Written Testimony Only

Comments:

I am in favor of increasing the Medicaid reimbursement up to 100% for physicians, Nurse Practitioners , Certified Nurse Midwives, Physician Assistant billing.

We can't afford to lose any more Healthcare providers

Thank you,

Jennifer A Cook DNP, CNM, FACNM, FNP-C

LATE

SB-397

Submitted on: 2/2/2023 1:03:22 PM

Testimony for HHS on 2/3/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
stuart lerner	Individual	Support	Written Testimony Only

Comments:

Stuart D. Lerner, M. D.

Board Certified in Family Medicine

970 N. Kalaheo Ave. # C 316, Kailua, HI 96734

Ph; 808-954-4463 · www.dr-lerner.com

2/2/2023

Dear Senators,

I am writing in support of Senate Bill 327 increasing Medicaid/Quest reimbursements and funding to physicians.

In general, commercial, Medicare, and Medicaid reimbursements to physicians in Hawaii have been woefully inadequate over the last 20 years. Since Obama care, Medicaid and Medicare have increased their enrollees to about 50% of the total population. As these 2 programs are now the dominant insurances in Hawaii, reimbursements to physicians providing medical care MUST by default be the same or higher than commercial reimbursements. Physicians can no longer afford to lose money on Medicare and Medicaid plans due to lower reimbursements that used to be offset by commercial plans.

Currently, physicians in private offices are not breaking even. The current bill, although helpful, barely scratches the surface of being able to keep physicians enrolled in the programs. We are now losing money seeing every Quest patient. This must end.

Please pass SB 327 which increases reimbursements to physicians for medical care we are already giving. The bill should be retroactive for 2 years as we have all lost 100s of thousands of dollars while staying in the Quest program to serve the community and have not been adequately reimbursed by the government.

Thank you.

Sincerely,

Stuart Lerner, M.D.

Date: February 3, 2023

Committee: Senate Committee on Health and Human Services

LATE

Bill # SB397, Relating to Professional Medicaid Services

Testifier: Nancy S. Partika, RN, MPH

Aloha Chairperson San Buenaventura and Committee Members;

As a lifelong public health professional, I wish to indicate strong support for SB397, which appropriates funds to increase Medicaid payments to eligible health care professionals in the State, up to 100% of the current Medicare rates.

As someone who has worked on addressing health disparities for years, I concur with the HSCDD's testimony on the need to better reimburse health and dental care providers for providing much-needed care to our growing populations statewide on Medicaid.

The current Medicaid reimbursement rate is not adequately compensating providers for the care and added time it takes to complete the unwieldy billing process. Lacking incentives to provide care has led us to an alarming lack of Medicaid-enrolled doctors, dentists and other much-needed providers, particularly in rural areas statewide.

According to DHS-MQD, Medicaid dental providers on active status (at least one claim submitted in the last 6 months from 7/1/22-12/28/22) totaled 339 dental providers, which included general dental providers, some pediatric dentists and few specialists.

In contrast, the Hawaii Medicaid enrollment snapshot (dated 12/9/22) indicated that there were almost 459,000 recipients of all ages on Medicaid in Hawaii.

Clearly, we need to do much more to ensure access to health and dental care for this large underserved population. Ensuring more adequate reimbursement for services provided, as well as a streamlined billing process, will help to move us in the direction of improved health and dental services access and delivery.

Mahalo for the opportunity to submit this testimony in support of SB397.