

COMMITTEE ON HOUSE HEALTH

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COMMITTEE ON HUMAN SERVICES & HOUSING

Rep. Maile Shimabukuro, Chair

Rep. Karl Rhodes, Vice Chair

*Please deliver  
5 copies to Clerk in Rm. 436  
HLT: 1/30/08 at 9:00 in Rm.  
329*

Re: HB 2572, Relating to Mental Health

**SUPPORT**

The reasons for the lack of adequate supply of psychiatric services in rural areas are several. Among the chief reasons cited is the low reimbursement rate for medical specialty care in all areas but most especially where the cost of living is higher. The rural areas appear to have a higher incidence of Med-QUEST patients and uninsured. The Island of Hawaii is estimated to have 20% of its population as Medicaid eligible.

The State is paying for insurance coverage for mental health services and has been since 1994 when MedQUEST was first introduced. However, patients in areas such as the Big Island are not able to access psychiatric care due to the lack of providers. Most psychiatry providers who are currently in practice on the Big Island, refuse to accept any new Med-QUEST patients.

As private practice providers, they cannot economically stay viable if they see more than a low percentage of Med-QUEST patients. Increasing the rate of reimbursement to 100% of Medicare and providing a Neighbor Island differential will help to encourage psychiatrists and APRNs to see a larger number of MedQUEST patients and could help to recruit more psychiatrists and APRNs to the rural areas of Hawaii.

Last year a budget proviso was prepared by the Department of Human Services requesting funds for the purpose of increasing the Medicaid rate to 100% of Medicare and providing a Neighbor Island differential. Due to a technicality, that budget proviso was not included in the budget.

We need to take action this legislative session to get services to the Neighbor Islands especially to areas where the incidence of mental illness and substance abuse is high. To not provide psychiatric services contributes to risk factors we are seeing in Hawaii:

homelessness, suicide, increased disability, substance abuse, and inappropriate incarceration. The costs of untreated mental illness are staggering.

Thank you for your consideration to pass HB 2572, Relating to Mental Health

## **HAWAII PSYCHIATRIC MEDICAL ASSOCIATION**

### **Additional Information of Interest**

Some statistics which may be of interest to the House Health Committee are the number of psychiatrists in Hawaii compared to the nation and the distribution of psychiatrists by County. The numbers demonstrate that Hawaii does much better when compared to the rest of the country, but it is in the distribution of psychiatric providers that we fall short.

#### **# of Psychiatrists per 100,000 and Psychiatrist Distribution in Hawaii:**

- Average # of Hawaii psychiatrists per 100,000 **17.4**
- GMENAC\* standard per 100,000 (considered best practice) **15.4**
- Average Requirement Benchmark (ARB) per 100,000 8.1
- Kaiser Permanente (1996) Benchmark per 100,000 3.8
- National average **11.2**

*\*Graduate Medical Education National Advisory Committee*

Comparing the Hawaii numbers by county is done as a rough estimate, using 2005 census figures:

- Honolulu psychiatrists per 100,000 above GMENAC 17.7
- Hawaii County psychiatrists per 100,000 11.1\*
- Maui County psychiatrists per 100,000 13.4\*
- Kauai County psychiatrists per 100,000 16.1\*

FACT: Hawaii is #9 in the nation for psychiatrists and #2 for child and adolescent psychiatrists however this is not much help to rural Hawaii as what is the same in all medical specialties, the majority of psychiatrists are clustered in the urban areas of Oahu.

\*Some of these positions represented are part-time

PSYCHIATRIC ACCESS COLLABORATION  
1360 S. Beretania Street, 2<sup>nd</sup> Floor, Honolulu, HI 96814  
Ph: (808) 282-0488

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### **SUPPORT**

The rural areas appear to have a higher incidence of Med-QUEST patients and uninsured. The Island of Hawaii is estimated to have 20% of its population as Medicaid eligible. However there are too few psychiatry providers to meet the need.

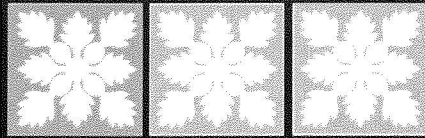
The State is paying for insurance coverage for mental health services and has been since 1994 when MedQUEST was first introduced. The insurance coverage is there, but the providers are not. This is a problem. The private practice psychiatrists do carry a certain number of Med-QUEST patients however, most are closed for any new patients with Med-QUEST insurance.

Physicians in private practice cannot economically stay viable if they see more than a low percentage of Med-QUEST patients. Increasing the rate of reimbursement to 100% of Medicare and providing a Neighbor Island differential will help to encourage psychiatrists and APRNs to see a larger number of MedQUEST patients and could help to recruit more psychiatrists to the rural areas of Hawaii.

We need to take action this legislative session to get services to the Neighbor Islands especially to areas where the incidence of mental illness and substance abuse is high. To not provide psychiatric services contributes to risk factors we are seeing in Hawaii: homelessness, suicide, increased disability, substance abuse, and inappropriate incarceration. The costs of untreated mental illness are staggering.

Thank you for your consideration to pass HB 2572, Relating to Mental Health.

**PSYCHIATRIC ACCESS COLLABORATION**



## Hawaii Association of Health Plans

January 30, 2008

The Honorable Josh Green, M.D., Chair  
The Honorable Maile Shimabukuro, Chair

House Committees on Health and Human Services and Housing

**Re: HB 2572 – Relating to Mental Health**

Dear Chair Green, Chair Shimabukuro and Members of the Committees:

My name is Rick Jackson and I am President of the Hawaii Association of Health Plans (“HAHP”). HAHP is a non-profit organization consisting of seven (7) member organizations:

AlohaCare  
Hawaii Medical Assurance Association  
HMSA  
Hawaii-Western Management Group, Inc.

MDX Hawai‘i  
University Health Alliance  
UnitedHealthcare

Our mission is to promote initiatives aimed at improving the overall health of Hawaii. We are also active participants in the legislative process. Before providing any testimony at a Legislative hearing, all HAHP member organizations must be in unanimous agreement of the statement or position.

HAHP appreciates the opportunity to testify in opposition to HB 2572 which would set in statute reimbursement levels for psychiatrists providing services to Medicaid including a \$30 differential payment for those practicing on the Neighbor Islands.

While we understand the intended outcome of this legislation is to improve access to psychiatric services by Medicaid members, we believe that this measure is seriously flawed in four key ways.

- The Medicaid program including QUEST is a State government program distinct and different from Medicare which is a Federal government program. To mandate health plans and the State to pay Medicare level reimbursements for Medicaid services will negatively impact these budgets, further limiting the number of people that can be covered under Medicaid in Hawaii.
- This bill unfairly singles out one particular provider group and disadvantages other equally important providers.

• AlohaCare • HMAA • HMSA • HWMG • MDX Hawaii • UHA • UnitedHealthcare •  
HAHP c/o Howard Lee, UHA, 700 Bishop Street, Suite 300 Honolulu 96813  
[www.hahp.org](http://www.hahp.org)

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- Access to health care including psychiatric services for Medicaid members is impacted by a variety of factors that need to be assessed together. This legislation fails to address all of the key factors that affect access to health care for Medicaid recipients.
- In accordance with federal requirements, Medicaid and QUEST reimbursement rates cannot exceed Medicare reimbursement rates. Thus, any amount paid as reimbursement in excess of a Medicare rate (such as is proposed for Neighbor Islands) would be borne solely by the State.

For these reasons we respectfully request that the committee hold this bill.

Thank you for the opportunity to testify today.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Jackson". The signature is fluid and cursive, written in a professional style.

Rick Jackson  
President



An Independent Licensee of the Blue Cross and Blue Shield Association

January 30, 2008

The Honorable Josh Green, M.D., Chair  
The Honorable Maile Shimabukuro, Chair

House Committees on Health and Human Services and Housing

**Re: HB 2572 – Relating to Mental Health**

Dear Chair Green, Chair Shimabukuro and Members of the Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in opposition to HB 2572 which would require mutual benefit societies and HMO plans that provide QUEST services to reimburse psychiatrists at 100 percent of the Medicare fee schedule with an additional \$30 differential paid to those psychiatrists practicing on Neighbor Islands. HMSA has concerns with this measure.

Access to health care services in rural areas of the State is an issue that has been garnering much media attention recently. This being said, it is important to note that QUEST plans have an obligation, by contract with the State, to provide services to members. HMSA strives to meet and exceed the obligations to our QUEST members. HMSA examined the numbers of licensed psychiatrists in the State compared to those who provide services to HMSA members in our PPO and QUEST plans. Of the approximate 211 practicing licensed psychiatrists in the State (less those affiliated with Kaiser Permanente), 196 contract with HMSA's PPO plan while 155 contract with our QUEST plan. We believe that our network of providers already provides appropriate care to individuals in need of psychiatric services.

However, if it is the Committee's will to pass this measure, we would request two small changes. Although monies would be appropriated to DHS in order to provide psychiatric services, there is no language requiring the funding be passed on to participating QUEST plans to implement these services. As such we would request adding language to Page 8, Line 5 stating:

Notwithstanding any law to the contrary, the Department of Human Services shall make appropriate adjustments to the "rate of payment per participating recipient" amount paid to health maintenance organizations and prepaid health plans pursuant to HRS § 346-59(d), to allow for psychiatric services to QUEST recipients, administered by a person licensed to practice medicine under chapter 453. Health maintenance organizations and prepaid health plans shall

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not be required to increase coverage to QUEST recipients for psychiatric services, administered by a person licensed to practice under chapter 453 until the Department of Human Services makes adjustments to the "rate of payment per participating recipient" amounts.

In addition, it is important to note that while the language of this measure would apply to QUEST plans operating under the statutes pertaining to mutual benefit societies and health maintenance organizations (HMOs), there is a for-profit health insurance plan that has also recently begun offering services under the newest QUEST contract. To ensure that all QUEST plans are required to implement reimbursement changes, the language that has been placed in the statute pertaining to mutual benefit societies and HMOs should also be included in HRS 431. As such we would request creating a new section within the measure stating:

Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§431-\_\_\_\_\_ Reimbursement; medicare fee schedule. Effective January 1, 2009, and for each succeeding calendar year thereafter, each participating psychiatrist within the network of a prepaid health plan in the state shall be reimbursed for the provision of medical services to Medicaid beneficiaries, at a rate of not less than one hundred per cent of the Medicare fee schedule in effect for the current year; provided that psychiatrists practicing in the counties of Hawaii, Kauai, or Maui shall be reimbursed an additional \$30 per visit."

We would also comment that there are many reasons contributing to the access issue and reimbursements are just one component. This increased funding may not provide enough incentive to convince psychiatrists to provide services to QUEST members on Neighbor Islands. Thank you for the opportunity to testify on HB 2572.

Sincerely,



Jennifer Diesman  
Director, Government Relations



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January 29, 2008

To: Rep. Josh Green, M.D., Chair  
Rep. John Mizuno, Vice Chair  
House Health Committee

From: Cynthia J. Goto, M.D., President  
Linda Rasmussen, M.D., Legislative Co-Chair  
Philip Hellreich, M.D., Legislative Co-Chair  
Paula Arcena, Executive Director  
Dick Botti, Government Affairs Liaison

Re: HB2572 Relating to Mental Health

The Hawaii Medical Association strongly supports HB2572.

HB 2572 proposes to establish a higher reimbursement rate to psychiatrists that provide services to Medicaid beneficiaries in Hawaii to not less than 100% of Medicare and to add a neighbor island differential of an additional \$30.00 per visit. This bill is essential in opening the doors to many individuals in need medical help.

As stated in the bill, there are a much greater number of MedQuest patients with mental illnesses than any other medical condition, as high as 70%. Many private practicing psychiatrists are apprehensive to see MedQuest patients due the reimbursement Medicaid provides and because of the loss of reimbursements for mental health patients that are known for missing appointments.

This issue is leaving many patients that suffer from depression, anxiety, situational disorders, post-traumatic stress disorder, and substance abuse untreated.

The rate increase has proved successful in other states such as, Wyoming, where vacant psychiatrist positions were prevalent in rural areas have now become filled positions. Alaska is another state that noted an overwhelming success with the rate increase.

The bill states:

“Effective January 1, 2009 each participating psychiatrist within the network of a mutual benefit society in the state shall be reimbursed for the provision of medical services to Medicaid beneficiaries, at a rate of not less than one hundred percent of the Medicare fee schedule in effect for the current year; provided that psychiatrists practicing in the

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**To rm 329 for:  
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Wednesday  
1/30/08  
9:30am

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counties of Hawaii, Kauia, or Maui shall be reimbursed an additional \$30 per visit.”

HB2572 represents a positive step in making available necessary medical care.

Thank you for the opportunity to testify on this matter.

Lorna Nekoba  
1190 Waiianuenue Avenue  
Hilo, HI 96720  
Phone: 808-974-4795

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(Hearing on 1/30/08 at 9:30 am in Room 329)

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Rep. Karl Rhoads, Vice Chair

Re: HB 2572, Relating to Mental Health

**Testimony in Support**

I respectfully ask for your support of House Bill 2572. In my discussions with healthcare providers on the Big Island, there is consensus on the need to increase compensation and rates of reimbursement for psychiatrists. The lack of psychiatric services on the neighbor islands is especially pronounced for children and adolescents. Failure to afford the benefits of early treatment of mental health illness, especially in children and adolescents, will result in far greater costs to the community, in some cases over a child's lifetime.

Thank you for your support.