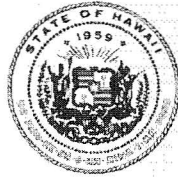


LINDA LINGLE
GOVERNOR

LATE Testimony



LILLIAN B. KOLLER
DIRECTOR

HENRY OLIVA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

January 30, 2008

MEMORANDUM

TO: Honorable Representative Josh Green, Chair
House Committee on Health

Honorable Representative Maile S.L. Shimabukuro, Chair
House Committee on Human Services and Housing

FROM: Lillian B. Koller, Director

SUBJECT: **H.B. 2572 – RELATING TO MENTAL HEALTH**

Hearing: Wednesday, January 30, 2008 09:30 A.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of this bill is to increase the rate of reimbursement to psychiatrists providing services to Medicaid recipients in the State to no less than one hundred percent of the Medicare reimbursement amount that is in effect for the current year and updated for each calendar year. Establishes a \$30 differential for reimbursements to psychiatrists practicing on the Neighbor Islands.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill and respectfully requests that its passage does not replace nor adversely impact the priorities in the Executive Supplemental Budget.

This bill proposes to increase reimbursement rate provided to psychiatrists who provide services to both the Medicaid Fee for Service and the Medicaid QUEST programs.

Based on the data at hand, we estimate that the increase to psychiatrists statewide for the major procedure codes will be approximately \$355,649 (State and Federal funds) for Oahu and \$723,034 (State and Federal funds) for the Neighbor Islands inclusive of the \$30 fee. The additional \$30 increase for services rendered on Maui, Hawaii, and Kauai will be approximately \$547,830 to implement.

The Department will require more time to develop an estimate of the cost impact upon the QUEST plan capitation and the overall QUEST program. We do not have access to the exact reimbursement rates of the participating plans and will work with the plans to develop an estimate and report back to the committee.

The Medicaid program is allowed only to pay up to the Medicare reimbursement amount. Any amount in excess of one hundred percent of the Medicare rate will not receive Federal matching funds and must be paid with State funds only.

Thank you for the opportunity to testify on this bill.

Dr. Cynthia Stuhlmiller
Professor, University of Hawaii
Department of Public Health Studies
cstu@hawaii.edu 728-2443

COMMITTEE ON HOUSE HEALTH

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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

Issue: Hawaii County continues to have a disproportionate number of persons with a mental illness. Statistics indicate that while only 12% of the entire population of the State lives in Hawaii County, 25% of population serviced by the State in FY2007 was from Hawaii County. Furthermore, the chronic lack of psychiatric service providers in Hawaii County has become a State crisis demanding urgent attention.

Solution: Creating economic incentives for providers to accept Med-QUEST clients will help to address the problem. Increasing the rate of reimbursement to 100% of Medicare and providing a Neighbor Island differential will help to encourage psychiatrists and APRN Rxs to see a larger number of MedQUEST patients and could help to recruit more providers to the rural areas of Hawaii.

May Mizuno

From: wailua [jdwailua@earthlink.net]
Sent: Wednesday, January 30, 2008 12:32 AM
To: HLTtestimony
Subject: Testimony Support HB2572 Relating to Mental Health

LATE
Testimon

Wailua Brandman APRN-Rx BC

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January 29, 2008

Hawai'i State House Committee on Health

Representative Josh Green MD, Chair

Representative John Mizuno, Vice Chair

Hawai'i State Committee on Human Services and Housing

Representative Maile Shimabukuro, Chair

Representative Karl Rhodes, Vice Chair

RE: HB2572 Relating to Mental Health, Hearing date: 1-30-2008, 9:00 AM, Rm. 329

Good morning Representatives Green and Mizuno and members of the Committee on Health, and Representatives Shimabukuro and Rhodes and members of the Committee on Human Services and Housing. I am testifying in favor of HB2572, Relating to Mental Health. I am an adult psychiatric mental health nurse practitioner and clinical nurse specialist in private practice here in Honolulu. Roughly 50% of the patients I treat are enrolled in MedQuest. I am finding it difficult to maintain my office overhead and taxes due to the low reimbursement rates I am paid by Medquest. I would request that psychiatric mental health APRNs be included in this bill so that we may continue to treat this population and have our practices thrive.

Recent studies in Hawai'i have shown that this is a vulnerable population in need of our services. Without treatment, the financial burden to our state is unacceptable. Raising the reimbursement rates to psychiatric mental health APRNs as well as psychiatrists will actually contribute to a cost savings to the State. National studies have demonstrated that the care provided by APRNs equals that of physicians. It is only just that we be fairly reimbursed for the savings we afford the State.

Please vote in support of this bill with an amendment to include psychiatric mental health APRNs. Thank you for your consideration.

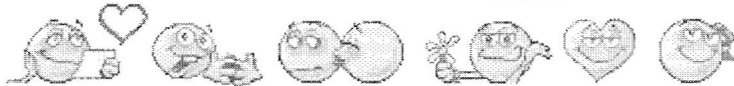
Wailua Brandman APRN-Rx BC

President, Hawai'i Association of Professional Nurses

O'ahu Director-at-Large, American Psychiatric Nurses Assn. Hawai'i Chapter

Member, Psychiatric Access Collaboration

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Re: HB2572, Relating to Mental Health.



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because knowledge is everything

Survey of HI Psychiatric Membership ; Psychiatrist non-members
45% Response Rate

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Home Create Survey My Surveys Address Book My Account

Help Center

Survey Title: **Hawaii Psychiatric Medical Association Directory and Survey** [Edit Title](#) [design survey](#) [collect responses](#) [analyze results](#)

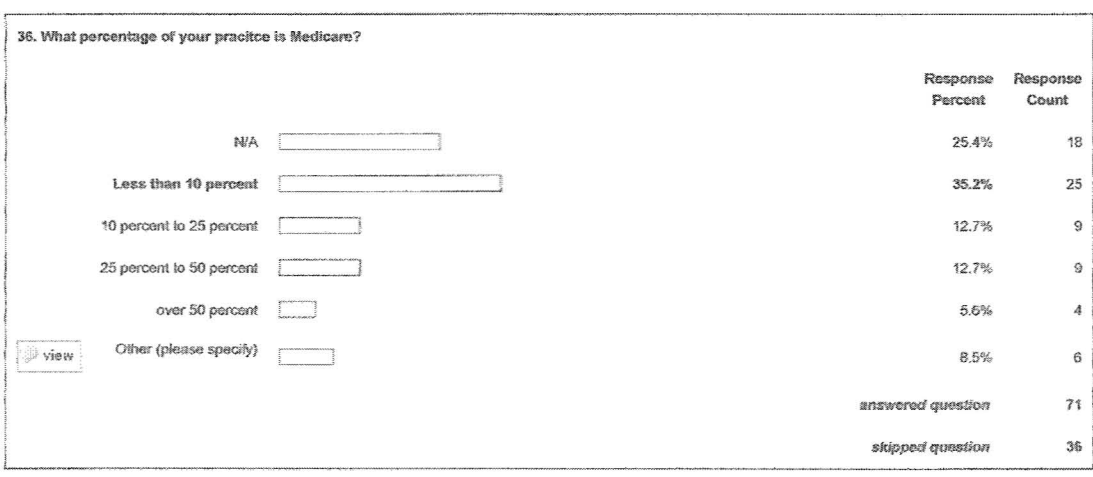
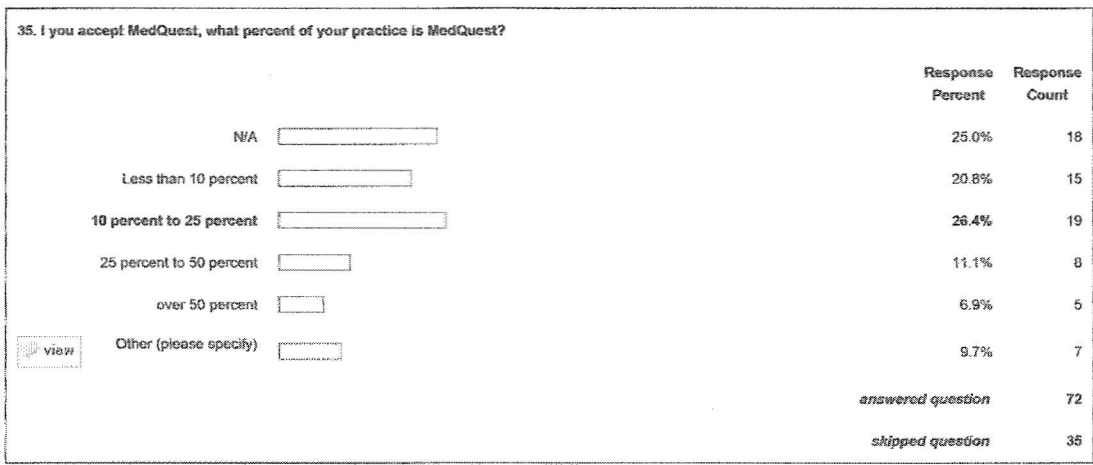
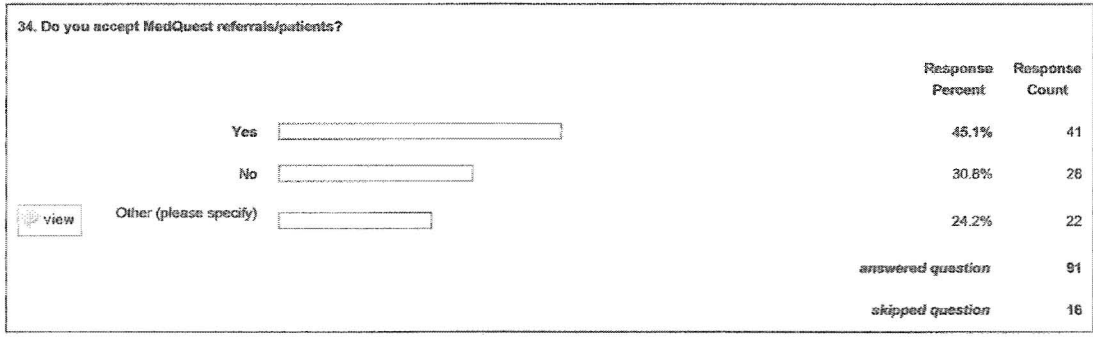
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Response Summary

Total Started Survey: 107
Total Completed Survey: 107 (100%)

Select a page to view below or [view all pages](#):
<< #4. Insurance and Reimburseme... >>

Page: Insurance and Reimbursement Information



37. What is the estimated number of MedQuest or Medicare patients in your Practice?

	Response Count
view	45
answered question	45
skipped question	62

38. If the reimbursement rate for MedQuest were changed from 65% of Medicare rates to 100% of Medicare rates, would you be willing to see MedQuest patients?

	Response Percent	Response Count
Yes	49.3%	37
No	30.7%	23
view Other (please specify)	20.0%	15
answered question	75	
skipped question	32	

39. If you are practicing on a Neighbor Island: If the MedQuest reimbursement rate were increased to 100% of Medicare rates and included a Neighbor Island differential in the range of \$25 to \$30 per visit (full visit or half visit), would you be willing to see MedQuest patients (or more MedQuest patients)?

	Response Percent	Response Count
Yes	55.1%	38
No	26.1%	18
view Other (please specify)	18.8%	13
answered question	69	
skipped question	38	

40. What Insurances do you or your agency accept?

	Response Percent	Response Count
HMSA	77.6%	59
HMSA Quest	55.3%	42
Aloha Care	32.9%	25
Blue Cross/Blue Shield	63.2%	48
Kaiser Permanent	27.6%	21
HMAA	56.6%	43
Tri-Care Full Life	44.7%	34
Tri-Care Standard	46.1%	35
Medicare	50.0%	38
Medicaid	42.1%	32
UHA	55.3%	42
Summerlin	36.2%	29
HMA (Hotel Union)	39.5%	30
MDX Queen's HealthCare	43.4%	33
view Other (please specify)	28.9%	22
answered question	76	
skipped question	31	

41. What is your rough guess of the approximate percent of patients having the below mentioned insurance types?

Percent of Patients

	N/A	10% or less	20%	30%	40%	50%	60%	70%	80%	90%
HMSA	8.2% (4)	12.2% (6)	8.2% (4)	6.1% (3)	2.0% (1)	6.1% (3)	18.4% (9)	10.2% (5)	20.4% (10)	8.2%
HMSA Quest	13.3% (4)	50.0% (15)	13.3% (4)	16.7% (5)	6.7% (2)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0%
Aloha Care	28.6% (8)	66.7% (14)	4.8% (1)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0%
Blue Cross/Blue Shield	20.0% (6)	76.7% (23)	3.3% (1)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0%
Kaiser Permanent	33.3% (6)	50.0% (9)	5.6% (1)	0.0% (0)	5.6% (1)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0%
HMAA	12.1% (4)	87.9% (29)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0%
Tri-Care Full Life	27.3% (6)	54.5% (12)	9.1% (2)	0.0% (0)	0.0% (0)	4.5% (1)	0.0% (0)	4.5% (1)	0.0% (0)	0.0%
Tri-Care Standard	19.2% (5)	65.4% (17)	3.8% (1)	3.8% (1)	0.0% (0)	7.7% (2)	0.0% (0)	0.0% (0)	0.0% (0)	0.0%
Medicare	16.7% (5)	53.3% (16)	13.3% (4)	10.0% (3)	6.7% (2)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0%
Medicaid	15.4% (4)	61.5% (16)	7.7% (2)	7.7% (2)	0.0% (0)	0.0% (0)	3.8% (1)	3.8% (1)	0.0% (0)	0.0%
UHA	15.6% (5)	61.3% (26)	3.1% (1)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0%
Summerlin	29.2% (7)	70.8% (17)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0%
HMA (Hotel Union)	16.0% (4)	84.0% (21)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0%
MDX Queen's HealthCare	31.8% (7)	68.2% (15)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)	0.0%

42. What is the length of your waiting list?

	Response Percent	Response Count
N/A	17.8%	13
No waiting list	24.7%	18
1 week	15.1%	11
2 weeks	16.4%	12
3 weeks	8.2%	6
4 weeks	6.8%	5
5 weeks	0.0%	0
6 weeks	4.1%	3
greater than 6 weeks	6.8%	5
answered question		73
skipped question		34

HAWAII PSYCHIATRIC MEDICAL ASSOCIATION
1360 S. Beretania Street, 2nd Floor, Honolulu, HI 96814
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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