

**LATE**

**HB 1103**

LINDA LINGLE  
GOVERNOR



LILLIAN B. KOLLER, ESQ.  
DIRECTOR  
HENRY OLIVA  
DEPUTY DIRECTOR

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

**LATE**

April 6, 2009

MEMORANDUM

TO: Honorable Donna Mercado Kim, Chair  
Senate Committee on Ways and Means

FROM: Lillian B. Koller, Director

SUBJECT: **H.B. 1103, S.D. 1 - RELATING TO FEDERAL FINANCIAL  
ASSISTANCE FOR INDEPENDENT LIVING SERVICES AND  
CENTERS**

Hearing: Monday, April 6, 2009, 9:30 a.m.  
Conference Room 211, State Capitol

PURPOSE: The purpose of this bill is to repeal section 348-9, Hawaii Revised Statutes (HRS), which establishes the Statewide Council on Independent Living in the Department of Human Services.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration-sponsored bill. For the State to be eligible to receive Federal financial assistance, the Federal Rehabilitation Act, title 29 United States Code, section 796d, requires the State to establish a Statewide Independent Living Council, which cannot be established as an entity within a state agency.

Section 348-9, HRS, establishes a Statewide Council on Independent Living in DHS. Section 348-9, Hawaii Revised Statutes, was well-intended, but is unnecessary and has resulted in confusion. Section 348-9 is unnecessary because

the Statewide Independent Living Council can be established through the State's Title VII State Plan that each state is required to have to receive Federal funds under Title VII of the Federal Rehabilitation Act. The State currently receives more than \$296,000 in Federal funds for independent living services.

Repealing section 348-9 and relying instead on the State's Title VII State Plan to establish a Statewide Independent Living Council, will satisfy the State's Title VII requirement.

If this bill is not passed, public confusion will continue.

Thank you for this opportunity to testify.

LINDA LINGLE  
GOVERNOR



LILLIAN B. KOLLER, ESQ.  
DIRECTOR

HENRY OLIVA  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P.O. Box 339  
Honolulu, Hawaii 96809-0330

**LATE**

April 6, 2009

MEMORANDUM

TO: Honorable Donna Mercado Kim, Chair  
Senate Committee on Ways and Means

FROM: Lillian B. Koller, Director

SUBJECT: **H. B. 1284, H.D. 1, S.D. 1 – RELATING TO HEALTH**

Hearing: Monday April 6, 2009, 9:30 a.m.  
Conference Room 211, State Capitol

PURPOSE: The purpose of this bill is to appropriate State general funds for each year of the 2009-2011 fiscal biennium to the Department of Human Services (DHS) to increase the payments for physician services for Medicaid-eligible persons, including fee-for-service, for health plans that provide QUEST physician services and QUEST Expanded Access (QExA), up to an unspecified percent of the current Medicare fee schedule for Hawaii; requires DHS to report to the amount of the baseline Medicaid and additional funds needed for fiscal year 2010-2011 and the amount of funding to continue increased payments for physicians services to Medicaid-eligible persons; requires DHS to seek an appropriation in an amount equal to at least the amount appropriated in 2009-2010 for additional payments for physician services.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) opposes this bill as the current days of business not as usual require very difficult decisions of competing priorities, and increasing an expenditure while shortfalls exist would not be prudent.

Given the current fiscal situation and unprecedented increase in enrollment, the Medicaid program is quite fortunate that it has not yet had to resort to reducing provider payments. Before any increase to provider payment is considered, we must first ensure that the program is adequately funded to serve all the clients needing and eligible for medical assistance.

Maintaining the current physician fee schedule into SFY 2010 will require total funding well in excess of \$20 million as enrollment and utilization continue to increase. Even at the increased Federal Medical Assistance Percentage, an additional appropriation of approximately \$7 million of general funds would be required for SFY2010 and more than \$8 million for SFY2011.

Act 284, SLH 2007, similarly appropriated \$8 million in general funds for a physician reimbursement increase. These funds now provide the physicians in the Medicaid Fee-For-Service program and Medicaid QUEST and Medicaid QUEST Expanded Access managed care health plans with reimbursements of approximately 79.5% of the 2006 Medicare rates. This funding expires July 1, 2009 when the rates will otherwise revert to the rates before this increase.

The \$8 million in State funds appropriated corresponded to a total of \$17.8 million total State and Federal funds that was used to actuarially calculate the amount of increase for the fee schedule based on projected enrollment and utilization the fee schedule increases. However, enrollment and utilization increased much more than anticipated and a total amount exceeding that budgeted was spent on physician payment increases.

Although Hawaii Medicaid reimbursement rates are comparable to rates nationally, Medicaid rates are typically among the lowest compared to private insurers and even Medicare. Access has been shown to be associated with reimbursement, and we greatly appreciate those physicians who are committed to the Medicaid recipients in their communities and are accessible to them.

Thank you for this opportunity to testify.

**LATE**

Louise Horio  
99-691 Kaulainahee Place  
Aiea, HI 96701  
Phone: 488-0179  
E-mail: [smahtcookie@hawaiiantel.net](mailto:smahtcookie@hawaiiantel.net)

The Senate  
THE TWENTY-FIFTH LEGISLATURE  
REGULAR SESSION OF 2009

COMMITTEE ON WAYS AND MEANS  
Senator Donna Mercado Kim, Chair  
Senator Shan S. Tsutsui, Vice Chair

**NOTICE OF DECISION MAKING**

**Date: Monday, April 6, 2009**

**Time: 9:30a.m.**

**Place: Conference Room 211, State Capitol**

**HB1103**

**Supporting HB1103 which repeals HRS 348-9 which establishes the Statewide Council on Independent Living.**

**My name is Louise Horio , and I am a Board Member of the Statewide Independent Living Council of Hawaii. I am writing testimony in Support of HB1103 which repeals Hawaii Revised Statue 348-9 that establishes the Statewide Council on Independent Living.**

**HRS 348-9 establishes the Statewide Council on Independent Living. Repealing this section will help the Statewide Independent Living Council conform to the Rehabilitation Act of 1973 as Amended in 1992.**

**Most Respectfully,**

**Louise Horio**

**kim4 - Elizabeth**

---

**From:** margaret levy-dohanos [tropicalbelt@yahoo.com]  
**Sent:** Sunday, April 05, 2009 7:28 PM  
**To:** WAM Testimony  
**Subject:** Hb 1103

**LATE**

I give testimony in support of hb 1103, to be heard at 9:30am on april 6,2009 mahalo,  
margaret levy-dohanos,cna silc member

-----  
Sent from the Cingular network using Mobile Email