

Faith Action for



Community Equity

Gamaliel Foundation Affiliate

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The Rev. Alan Mark
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The Rev. Robert Nakata
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The Rev. Bill Albinger
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Ms. Judy Ott
Statewide Secretary

The Rev. Frances Wiebenga
Oahu Vice President, Clergy

Dr. Clementina Ceria-Ulep
Oahu Vice President, Laity

Dr. Kathy Jaycox
Oahu Secretary

Ms. Emily Milioni
Oahu Assistant Secretary

Mr. Rosario Baniaga
Oahu Treasurer

Mr. Drew Astolfi
Executive Director

Mr. Patrick Zukemura
Oahu Lead Organizer

March 23, 2009

THE SENATE
THE TWENTY-FIFTH LEGISLATURE
REGULAR SESSION OF 2009

COMMITTEE ON HUMAN SERVICES
Senator Suzanne Chun Oakland, Chair
Senator Les Ihara, Jr., Vice Chair

COMMITTEE ON JUDICIARY AND GOVERNMENT OPERATIONS
Senator Brian T. Taniguchi, Chair
Senator Dwight Y. Takamine, Vice Chair

DATE: Tuesday, March 24, 2009
TIME: 10:30 a.m.
PLACE: Conference Room 016
State Capitol
415 South Beretania Street

HB 1525, HD1
RELATING TO MEDICAID

Good morning Chairs Chun-Oakland and Taniguchi and members of the committees

I am Rev. Bob Nakata. I am here today as the President of FACE (Faith Action for Community Equity), Oahu. We support this bill. FACE feels that any insurance company that receives government funding for Medicaid should have complete and full transparency of their business practices and administrative cost of business.

Health Insurance that is provided through taxpayers dollars should be held to a higher standard of business (both locally and nationally), history of quality of the delivery of healthcare and their track record of proper, prompt reimbursement to physicians, pharmacies, hospitals, and other providers. Insurance companies that make the business decision to respond to any Medicaid RFP should be prepared to have ongoing disclosures of their financial, business practices and relationships in all areas in the United States. Full public disclosure and transparency should be the backbone of this measure, for non-profits and for-profits alike.

This bill should not be about the philosophical differences of a non-profit and a for-profit corporation. Both entities are able to deliver quality healthcare services. As healthcare is our fourth largest industry, both are able to create jobs and help to bring economic stability to our state. However, both must be subject to complete public disclosure of all parts of their corporate structure including third party administrators, corporate home offices, and all subsidiaries in all areas of the nation.

FACE welcomes health insurance business competition that will control cost, but it cannot be to the detriment of the beneficiaries and the healthcare providers and the public must have access to complete transparency.

FACE request that this bill be passed.

Thank you.

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I am Rev. Alan Mark and I am appearing as the President of the statewide organization of FACE (Faith Action for Community Equity).

We as citizens of Hawaii and the United States of America have been watching in awe as our National financial and corporate business structure implodes before our eyes. As this is evolving, the State of Hawaii has embarked on a new path of entrusting our Medicaid healthcare Insurance of our most vulnerable Hawaii citizens into the hands of two national for-profit entities.

This bill will ensure that these for-profits will operate in our culture and allow transparency of their business practices and that of their home corporate offices that operate outside of our oversight on the mainland US.

Please pass this bill and let the people of Hawaii view how our government dollars are being spent in the Medicaid programs to care for our most helpless people.

Thank you.

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Good afternoon Chairs Chun-Oakland and Taniguchi and members of the committee.

I am Judy Ott. I am the Statewide Secretary for FACE and a member of the FACE healthcare committee. **I am here to support this bill.**

As a member of FACE and as a citizen of the State of Hawaii I am here to advocate for the rights of Hawaii's most vulnerable population. It is becoming increasingly difficult for me to be optimistic that the selection of two for-profit corporations from the mainland is ever going to work. The State believes that the QExA program will improve healthcare services while bringing down costs. The reality is that healthcare costs continue to rise while the quality of healthcare has declined. At a recent informational hearing, DHS reported that 34,750 calls from clients and providers have been received due to enrollment issues, disruptions of inpatient transportation services, incorrect charging for co-pay for prescriptions, and other disruptions. Thousands of Medicaid recipients still have not been assigned a primary-care physician and others have been turned away from their longtime doctors who have chosen not to participate in the program.

It is my concern that money is the bottom line of medical decisions for the patients. The reality is that for-profit corporations are driven by profits. We have seen that the HMO model for Medicaid/Medicare has not driven down costs. If anything, it has driven doctors and other providers from the market because of low reimbursements.

We need to maintain the healthcare system that we have. As we move to a higher level of competition for the delivery of healthcare by for-profits and non-profits alike, we as a State must have strong oversight and transparency on how our tax dollars are being spent. Let's maintain and improve what we have.

Thank you.