

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

March 3, 2009

MEMORANDUM

TO: Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Lillian B. Koller, Director

SUBJECT: **H.B. 989 – RELATING TO CHILDREN’S HEALTH CARE**

Hearing: Tuesday, March 3, 2009, 2:00 P.M.
Conference Room 308, State Capitol

PURPOSE: The purpose of this bill is to amend Act 236, Session Laws of Hawaii 2007, which established the Hawaii Children's Health Care program, to extend the program for three more years and require that participants receive primary health care services at federally qualified health centers. Appropriates general funds.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill to expand health insurance to uninsured children, provided its passage does not adversely impact nor replace priorities in the Executive Biennium Budget, but DHS opposes the access limitation imposed.

Children do not chose whether or not to have health insurance, and preventive care, especially recommended immunizations, is something a child should not go without. While health insurance helps remove a barrier to receiving health care, insurance without access is useless.

DHS believes that patients should not be limited, without good cause, in which providers they can see, and that every effort should be made to increase the number of providers available. DHS also values continuity of care such that a child could still continue to see his or her usual provider.

This bill limits access to only Federally Qualified Health Centers (FQHCs). At a time when the FQHCs report an increased strain on the health care safety-net, adding to the strain while limiting patient choice and provider access would seem unwise. Although patients should be able to receive care from FQHCs, they should not be required to do so.

Since children eligible for the Hawaii Children's Health Care program must not be eligible for any other State or Federal public health care program, the health insurers participating in this program should be required to ensure eligibility by documenting and reporting quarterly to DHS and the Legislature, the income, citizenship, and duration of legal residency for each enrollee.

We would like to point out that Keiki Care coverage has limited benefits compared to the free benefits in Medicaid for children. This reporting requirement will help us ensure that children who qualify for free comprehensive health insurance through Medicaid will get into Medicaid instead of the limited benefits in the Hawaii Children's Health Care program.

DHS also believes that a basic benefits package should be required by all participating health insurers, and that the eligibility may need to be revised to clarify who may be eligible regarding enrollment in HMSA's Children's Plan, previous enrollment in Keiki Care, and duration of period of being uninsured.

Thank you for the opportunity to comment on this bill.



Hawai'i Primary Care Association

345 Queen Street | Suite 601 | Honolulu, HI 96813-4718 | Tel: 808.536.8442 | Fax: 808.524.0347
www.hawaiipca.net

To: **The House Committee on Finance**
The Hon. Marcus R. Oshiro, Chair
The Hon. Marilyn B. Lee, Vice Chair

Testimony in Support of House Bill 989

Relating to Children's Health Care

Submitted by Beth Giesting, CEO

March 3, 2009, 2:00 p.m. agenda, Room 308

The Hawaii Primary Care Association asks your support for this measure. We greatly appreciate the Legislature's concern for ensuring that none of Hawaii's keiki go without health care and re-introducing this concept after the original program was abruptly terminated last year.

Federally Qualified Health Centers (FQHCs) are pleased to be identified as the primary care providers for children in this plan and believe that the Legislature's faith in them is well-placed. FQHCs offer excellent medical, behavioral, and dental care, which they supplement with a full range of additional services to enhance access to care and ensure that the patient gets the full benefit of therapy provided.¹ They also can assist the family to apply for QUEST, for which they may be qualified, and for other public benefits such as food stamps. An additional advantage in directing beneficiaries of the children's health plan to FQHCs is that the health centers are the excellent and cost-effective providers of primary care for the whole family, and the best place for care if other members of the family are uninsured.

Thank you for your consideration of this measure and for the opportunity to testify in its support.

¹ FQHCs typically provide language translation and culturally competent care, outreach and follow-up, active referral management, counseling, health education, and transportation. FQHCs are commonly WIC Nutrition service providers as well.



HOUSE COMMITTEE ON FINANCE
Rep. Marcus Oshiro, Chair

Conference Room 308
March 3, 2009 at 2:00 p.m. (Agenda #5)

Testimony in support of HB 989.

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including acute care hospitals, two-thirds of the long term care beds in Hawaii, as well as home care and hospice providers. Thank you for this opportunity to testify in support of HB 989, which extends the Hawaii Children's Health Care Program.

The Hawaii Children's Health Care Program is a public/private partnership that provides health care insurance to children who would otherwise not be covered. As such, it will improve the overall health of Hawaii's children. One of our goals should be to cover all of Hawaii's children. Until that goal is achieved, however, we need programs such as the Hawaii Children's Health Care Program to cover as many children as possible.

In providing health care insurance to uninsured children, this bill will pay for health care that participating children receive, thereby reducing the charity care and other uncompensated care provided by hospitals and other health care providers. Due to the current economic crisis, uncompensated care is expected to increase substantially even with the Children's Health Care Program, placing providers in financial positions that are even more precarious than those they now face.

For the foregoing reasons, the Healthcare Association supports HB 989.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

March 3, 2009

The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair

House Committee on Finance

Re: HB 989 – Relating to Children’s Health Care

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of HB 989.

As you are aware, after the passage of Act 236, HMSA entered into a contract with the State Department of Human Services (DHS) to offer the Keiki Care plan to children who fell into the gap group of uninsured. After a delayed start due to an extensive Request for Proposal and contracting period, HMSA began providing services in April 2008. Over the course of the 7 months that the plan was in operation we experienced an enrollment increase of approximately 100 children per month.

Unfortunately in October DHS made the decision that the state would no longer support the Keiki Care plan. With only a few days notification HMSA decided to fund the program through the remainder of the year and engaged in an extensive outreach program to families through mailings and phone calls. Despite our best efforts it is likely that many of the former Keiki Care plan members are once again without health care coverage due to economic circumstances.

We appreciate the legislature’s attempt to continue this worthy program that was meeting its goals and operating in a successful manner. We support this measure and look forward to working towards its implementation again. Thank you for the opportunity to testify in support of HB 989.

Sincerely,

A handwritten signature in black ink, appearing to read "JD", with a long horizontal flourish extending to the right.

Jennifer Diesman
Assistant Vice President
Government Relations