



Congress of the United States
House of Representatives
Washington, D.C. 20515

House Committee on Human Services
Representative John M. Mizuno, Chair
Representative Tom Brower, Vice-Chair

Testimony on Health Care for Compact Migrants in Hawaii
U.S. Representative Neil Abercrombie
Member of Congress

August 20, 2009
10:00 a.m. - Room 329

Thank you Chairman Mizuno and Vice Chairman Brower for holding this briefing on the state's announcement to drastically cut health benefits for compact migrants from Micronesia, the Marshall Islands, and Palau. The state's decision regarding health care for compact migrants is not only a dilemma for state officials, but brings up a greater debate on how states should care for these individuals, who are here legally, can stay indefinitely, and who pay taxes. I would like to provide some insights from my perspective in the US Congress.

As you may know, compact migrants were eligible for Medicaid and other federal benefits prior to the welfare reform act of 1996, the Personal Responsibility and Work Opportunity Act. This act declared non-immigrants ineligible for welfare to cut spending on welfare, but in doing so, caused serious consequences for jurisdictions affected by compact migrants. This decision ran counter to the wishes of Congress, stated in the reauthorization of the Compacts of Free Association, P.L. 108-188, section 104(e)(1), "It is not the intent of Congress to cause any adverse consequences for an affected jurisdiction." Regardless of these contradictions in federal law, Hawaii committed to provide care for compact migrants through the Medicaid program.

Therefore, when the state recently chose to reverse this commitment, many in Hawaii were shocked. In explaining the rationale for cutting benefits for compact migrants, Lillian Koller, the director of the Hawaii's Department of Human Services, said, "Because of Hawaii's unprecedented budget shortfall as a result of the global economic downturn, the state can no longer afford to provide comprehensive health care benefits for adult noncitizens, unless we receive a substantial funding boost from the federal government."

On July 31st, I was able to include in the House healthcare reform bill, H.R. 3200, an amendment to reinstate Medicaid benefits for compact migrants. This means that the

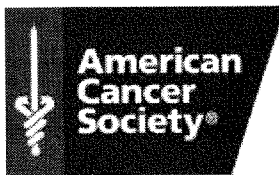
ORIGINATED FROM:

WASHINGTON OFFICE: 1502 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515 (202) 225-2726 / 225-4580 FAX
HOME OFFICE: ROOM 4-104, 300 ALA MOANA BLVD., HONOLULU, HAWAII 96850 (808) 541-2570 / 533-0133 FAX
Homepage: <http://www.house.gov/abercrombie/> E-mail: neil.abercrombie@mail.house.gov

federal government will once again contribute by providing more than \$15 million dollars to Hawaii each year. Recognizing that the current problem was a result of federal policy, with this federal fix, there will no longer be a need to switch compact migrants to the State's new health plan to try to save the Department of Human Services \$15 million annually.

In fact, in order to take advantage of the new federal funds, it would be wise for the state to keep compact migrants in the Medicaid programs instead of cutting benefits for this very vulnerable population. If the state chooses to follow through with these cuts, the decision could be a death sentence for many compact migrants who need, but cannot afford, kidney dialysis services. The decision could also weaken the safety net of community health centers, making Hawaii residents more vulnerable to the spread of communicable diseases, limiting their access to hospitals due to increasing uncompensated care costs for compact migrants, and costing Hawaii tax payers more for the care of compact migrants than under the current prevention-centered system.

While I understand the extent of the state's budget shortfall and the need for funding cuts to ensure our state's financial stability, I urge the state to explore every opportunity for increased federal funding before cutting medical services for this low-income population. More needs to be done to ensure that Hawaii receives the federal support it deserves to provide care for compact migrants. I will continue to push my amendment to reinstate federal funding to help the state meet this cost, and I look forward to working with your committee.



August 19, 2009

Committee on Human Services
Representative John Mizuno, Chair
Representative Tom Brower, Vice Chair

Hearing:

10:00 A.M., Thursday, August 20, 2009
Hawaii State Capitol, Room 329

RE: Basic Health Hawaii

COMMENTS

Chair Mizuno, Vice Chair Brower, and members of the Committee on Human Services. I am here today on behalf of the American Cancer Society Hawaii Pacific, to offer our comments on the impact Basic Health Hawaii will have on those individuals who are currently being or who will be needing treatment for their cancers.

The American Cancer Society Hawaii Pacific Inc., was founded in 1948, and is a community-based, voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering caused from cancer, through research, education, advocacy, and service. This mission includes strongly advocating for groups and individuals who lose insurance coverage that is necessary for treatment for cancer.

As the committee well knows, Basic Health Hawaii is an ill-conceived program designed to save the State of Hawaii \$15 million annually by removing more than 7,500 legal, noncitizen residents from Micronesia from Hawaii's QUEST programs. It is estimated that between 130 to 160 Micronesians currently living in Hawaii are undergoing cancer treatment which includes a chemotherapy component.

We have reviewed the provisions of Basic Health Hawaii and we find the proposed coverage is totally inadequate for the following reasons:

- The program does not provide chemotherapy coverage;
- The program only covers payment for five generic drug prescriptions a month. This is totally inadequate as individuals battling cancer often require specific brand name drugs; and
- The program will greatly increase patient's out-of-pocket-cost that are presently reimbursed under QUEST, such as neighbor island travel to Honolulu for treatment.

We are also concerned that the Governor refuses to release funds authorized by the legislature, providing QUEST coverage for our Micronesian neighbors. We certainly understand the need for

belt tightening in during these hard economic times, however, unless some provision is made to address the life-threatening cuts noted above, Basic Health Hawaii will become the first program in Hawaii to kill individuals it is meant to help.

Mahalo, for giving us the opportunity to provide comments here today.

Sincerely,

A handwritten signature in black ink, appearing to read "George Massengale".

George Massengale, JD
Director of Government Relations



CommunityTies
of America, Inc.

Care Management, Therapy and Consulting Services

Ms. Beth Slavens
President
Kina Ole
45-225 William Henry Road
Kaneohe, Hi 96744

Ms. Slavens,

I am sorry to inform you that Community Ties of America (CTA) nor the Department of Human Services (DHS) jurisdiction against the complaint that you filed with Nightingale Case Management Agency since Ms. Tsubata is a private pay client and she is not in a Community Care Foster Family Home.

The DHS and its designee CTA are governed by the Hawaii Revised Statutes and the specific section is as follows:

§ 346-331 Definitions

"Home and community-based case management agency" means any person, agency, or organization licensed by the department to provide, coordinate, and monitor comprehensive services to meet the needs of clients whom the agency serves in a community care foster family home or any medicaid clients in an expanded adult residential care home, or an assisted living facility."

I would suggest that you check with the Department of Health surveyor to determine what other means you may have to file a complaint.

Sincerely, *Mitzi Hester, RN, RMA*

Mitzi Hester, RN, Regional Manager
CTA

HOUSE OF REPRESENTATIVES
THE TWENTY-FIFTH LEGISLATURE
INTERIM OF 2009

HOUSE COMMITTEE ON HUMAN SERVICES

Rep. John M. Mizuno, Chair
Rep. Tom Brower, Vice Chair

Donna Schmidt, LCSW
President
Case Management, Inc.
94-229 Waipahu Depot Street
Suite 402
Waipahu, Hi 96797
808-429-8204

Thursday, August 20, 2009

Testimony in support of strengthening the accountability of Case Management Agencies in the Community Care Foster Family Home Program to ensure that the role and responsibilities of the CMA's meet best practices and move toward an assurance that residential nursing home care meets a national standard of care.

My name is Donna Schmidt. I am a licensed clinical social worker and owner of a licensed case management agency: Case Management, Inc. CMI has provided residential long term care to individuals on Oahu since 1998. CMI's primary purpose is to serve individuals qualifying for Medicaid in need of residential long term care.

Hawaii's Community Care Foster Family Home program has served thousands of individuals at a high quality of care and a significant cost savings to the State of Hawaii. The CCFFH program has a proven track record of meeting its established goals: To serve Medicaid clients at a cost lower than institutional care and maximize the opportunities for improved quality of life in a residential setting. Hawaii's CCFFH program is a national model of care and an asset to Hawaii's consumers and to the long term care system in Hawaii.

With the rapid growth of the program and the continued need for more residential nursing home beds, with the transitioning to Community Ties of America as the DHS agent for certification of homes and licensure of agencies, and with the roll out of the Managed Care Organizations all converging upon the community care foster family home program, several disturbing trends have emerged. These trends threaten the quality of care and consumer safety. At earlier hearings I have submitted written testimony of these trends and specific practices which need to be addressed.

It is imperative to initiate an evaluation of the program, address the trends that weaken the entire industry and be proactive in strengthening the infrastructure to ensure the health and safety of consumers in these residential long term care beds.

Every individual in need of nursing home care who is diverted to a residential setting has the right to know their long term care meets a national standard. The only guarantee a consumer has today is that the case management agencies and the homes have met the minimal qualifications to obtain a license to practice.

I urge you Representative Mizuno, Representative Bower and members of this committee to recognize the red flags that one of the great assets in Hawaii's continuum of long term care is threatened and the consumers of CCFFH services are in jeopardy.

I have stated several times and will take the liberty to reiterate, we are building the foundation upon which Hawaii's residential long term care continuum is being built. There are serious concerns with the infrastructure which can be remedied before great harm is done.

Please know that the old adage, an ounce of prevention is worth a pound of cure appropriately applies to the not only to the dollars invested in the system, but more importantly to the consumer's health and safety in CCFFH settings.

Thank you for the opportunity to testify.

Respectfully submitted,

Donna Schmidt, LCSW
Case Management, Inc.