
HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEVELOPMENT OF PROPOSED LEGISLATION MANDATING THE
SIZE AND EXTENT OF A MANAGED CARE PLAN'S SPECIALTY NETWORK.

1 WHEREAS, the Legislature has given broad authority to the
2 Department of Human Services to "administer the medical
3 assistance programs for eligible public welfare and other
4 medically needy individuals by establishing standards,
5 eligibility, and health care participation rules, payment
6 methodologies, reimbursement allowances, systems to monitor
7 recipient and provider compliance"; and
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9 WHEREAS, a type of medical assistance program developed by
10 the Department of Human Services are the managed care programs
11 such as "Hawaii QUEST" and "QUEST Expanded Access", in which
12 Medicaid health care services are provided to clients through
13 their health plan; and
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15 WHEREAS, there are reports that the two health plans to
16 whom the Department of Human Services have awarded contracts
17 under the QUEST Expanded Access programs do not have adequate
18 networks of primary care providers; and
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20 WHEREAS, concerns arose that the State lacked adequate
21 assurances from the two health plans that the plans had the
22 ability to deliver services; and
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24 WHEREAS, these concerns have led to lawsuits in the federal
25 courts to block the contract awards under the QUEST Expanded
26 Access programs; and
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28 WHEREAS, it appears that rather than delegating those
29 functions to the Department of Human Services, the Legislature
30 needs to directly establish those standards, eligibility, and
31 health care participation rules, payment methodologies,



1 reimbursement allowances, systems to monitor recipient and
2 provider compliance; and

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4 WHEREAS, a source of precedent is California's Knox-Keene
5 Health Care Service Plan Act of 1975, as amended, one of whose
6 purposes is to ensure that subscribers and enrollees are able to
7 access and receive health and medical services rendered in a
8 manner providing continuity of care; and

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10 WHEREAS, under the California legislation, a Knox-Keene
11 license is issued to health care service plans to assure the
12 public that these plans meet certain minimum standards; now,
13 therefore,

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15 BE IT RESOLVED by the House of Representatives of the
16 Twenty-fifth Legislature of the State of Hawaii, Regular Session
17 of 2010, the Senate concurring, that the Governor is requested
18 to develop proposed legislation to mandate the size and extent
19 of a managed care plan's specialty network based upon the
20 California managed care law known as the "Knox-Keene Health Care
21 Service Plan Act of 1975, as amended"; and

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23 BE IT FURTHER RESOLVED that the Governor is requested to
24 direct the participation and assistance of any appropriate
25 agencies and personnel within the executive branch needed to
26 develop the proposed legislation; and

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28 BE IT FURTHER RESOLVED that certified copies of this
29 Concurrent Resolution be transmitted to the Governor and the
30 Director of Human Services.

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OFFERED BY:

John A. Papan
[Signature]
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MAR 05 2010

