

Honolulu, Hawaii

Fe 4 26 , 2010

RE: H.B. No. 2774
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2774, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HUMAN SERVICES,"

begs leave to report as follows:

The purpose of this bill is to require the Department of Human Services (DHS) to terminate the QUEST program and replace it with its predecessor public-assistance programs, provided that those programs have similar benefits as QUEST.

DHS opposed this bill. The Hawaii Medical Service Association provided comments.

Your Committee has amended this bill by deleting its contents and replacing them with provisions that require, among other things:

- (1) Managed-care organizations contracting with DHS to provide QUEST services to charge recipients a co-payment from \$5 to \$20 for office visits, prescription drugs, emergency-room visits, and outpatient services;
- (2) DHS to review the managed-care organizations' co-payment schedules prior to their implementation;




- (3) DHS to mandate formularies for use by managed-care organizations in determining QUEST prescription-drug coverage;
- (4) DHS to apply the provisions regarding medical necessity as used in the state's Patient's Bill of Rights and Responsibilities with respect to health care coverage provided by managed-care organizations; and
- (5) DHS to report annually to the Legislature on the aggregate number of QUEST beneficiaries receiving coverage under both QUEST and a private health care plan.

This bill was further amended by changing the effective date to July 1, 2020, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2774, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2774, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



