

STAND. COM. REP. NO. 1168

Honolulu, Hawaii

March 24, 2009

RE: S.B. No. 1344  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committees on Human Services and Health, to which was referred S.B. No. 1344 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH CARE,"

beg leave to report as follows:

The purpose of this bill is to help minimize disruptions to health care services to QUEST recipients caused by positive enrollment by requiring the Department of Human Services (DHS) to:

- (1) Allow existing members of QUEST plans to select a health plan during an initial enrollment period of at least sixty days;
- (2) Randomly assign no more than five percent of the total number of QUEST recipients who have not enrolled according to an automatic assignment algorithm, provided that:
  - (A) A recipient who is automatically assigned may choose a different health plan within a ninety-day period after the automatic assignment, and may choose to opt out of the assigned health care plan during the first visit to a provider; and
  - (B) DHS will reimburse a provider if an automatically-assigned QUEST recipient mistakenly goes to a previous plan's provider;



- (3) Assign QUEST recipients who have not enrolled and not been randomly chosen to the health plan they were enrolled in at the start of the enrollment period; and
- (4) Conduct a public awareness campaign to educate QUEST recipients about their options.

The Hawaii Primary Care Association supported this bill. Hawaii Pacific Health supported this measure with amendments. AlohaCare, The Community Clinic of Maui, and Waikiki Health Center supported the intent of this bill. DHS opposed this measure.

Positive enrollment is a policy whereby QUEST recipients are periodically required to dis-enroll in their health care plan and actively choose either the same plan or a new plan. Those who do not actively select a plan during these periods are automatically assigned by DHS to a plan, which may or may not be the recipient's previous plan.

While your Committees acknowledge the concerns about competition and adequate service delivery that DHS points out, your Committees also note that health care plans provided by employers or available to private-pay clients do not require a policy of positive enrollment. Additionally, your Committees note that the positive enrollment policy has created confusion and case management disruption, particularly for those recipients who would prefer to remain with the same health care provider.

Accordingly, your Committees have amended this bill by:

- (1) Removing language that details limitations on the positive enrollment policy;
- (2) Including a provision that prohibits DHS from requiring a QUEST or QUEST Expanded Care recipient to re-enroll in a health plan unless their chosen plan no longer actively provides services and coverage;
- (3) Requiring insurance entities contracting with the State to provide Medicaid coverage to enter into written contracts with a minimum of 50 percent of hospitals and providers in their coverage area; and
- (4) Changing the effective date to January 1, 2050, to encourage further discussion.



Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1344, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1344, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committees on Human Services  
and Health,

  
\_\_\_\_\_  
RYAN I. YAMANE, Chair

  
\_\_\_\_\_  
JOHN M. MIZUNO, Chair





