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February 2, 2010

To: The Honorable Ryan I. Yamane
Chair, House Committee on Health

From: 'Ohana Health Plan

Re: House Bill 2085-Relating to Health

Hearing: Tuesday, February 2, 2010, 10:30 a.m.
Hawai'i State Capitol, Room 329

'Ohana Health Plan is a health plan offered by WellCare Health Insurance of Arizona, Inc. WellCare is a leading provider of managed care services dedicated to government-sponsored health care programs, focusing on Medicaid and Medicare. We operate a variety of health plans for families, children, the aged, blind or disabled as well as prescription drug plans and private fee-for-service plans. Our local team of 150 Hawai'i residents have been serving approximately 22,500 low-income, aged, blind, and disabled clients through the QUEST Expanded Access (QExA) program since February 1, 2009.

We appreciate this opportunity to submit our comments in opposition to House Bill 2085-Relating to Health.

We agree that states must be prepared to implement changes to existing health care programs as health care reform legislation becomes law. We also appreciate the legislative intent to ensure a continuity of care for Hawai'i's neediest population and make certain that Medicaid contracts comply with any changes in law due to health care reform. However, given the current status of national healthcare reform, this legislation is premature and may not accurately apply to actual implementation and contractual changes that may be necessary should national health care reform efforts become law.

Additionally, we are concerned about placing a dollar amount cap, through statute, on QUEST contracts when the landscape of health care services is changing, especially as federal health care reform is in development. It would be impractical to put a statutory limit on contract amounts when market changes dictate cost.

Considering these issues, we respectfully request that this committee HOLD House Bill 2085 at this time. Thank you for the opportunity to provide these comments on this measure.



Hawai'i Primary Care Association

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House Committee on Health

The Hon. Ryan I. Yamane, Chair

The Hon. Scott Y. Nishimoto, Vice Chair

House Committee on Human Services

The Hon. John M. Mizuno, Chair

The Hon. Tom Brower, Vice Chair

Testimony in Support of House Bill 2085

Relating to Health

Submitted by Beth Giesting, Chief Executive Officer

February 2, 2010 10:30 p.m. Agenda, Room 329

The Hawai'i Primary Care Association supports this measure. Since there is soon to be a change in Administration and since major QUEST contracts are not due to expire anytime soon, it is rational to ensure that the responsibility for crafting the next RFPs is reserved for those who will also be held accountable for applicants' performance.

Thank you for this opportunity to testify in support of this very important bill.



February 2, 2010
10:30am
Conference room 329

To: Rep. Ryan Yamane, Chair
Rep. Scott Nishimoto, Vice Chair
House Committee on Health

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

From: Paula Arcena
Director of Public Policy

Re: HB2085 (Establishes limits on requests for proposals from health and human services providers for QUEST contracts that exceed \$100,000,000 and commence after the term of the agency director expires.)

Thank you for the opportunity to testify in support of HB2085.

AlohaCare is a non-profit, Hawaii based health plan founded in 1994 by Hawaii's community health centers to serve low-income families and medically vulnerable members of our community through government sponsored health insurance programs. We serve beneficiaries of Medicaid and Medicare on all islands.

AlohaCare has been contracted by the Hawaii Department of Human Services since the QUEST program began in 1994 to provide insurance coverage for Medicaid eligible beneficiaries through the QUEST program. We serve approximately 70,000 QUEST enrollees statewide.

Currently, Hawaii's Medicaid programs are undergoing dramatic change due to state budget reductions.

These changes include:

- DHS informed health plans last week that it plans to delay payments to all Medicaid health plans for at least three months starting in April 2010 in order to prevent a deficit at the end of the fiscal year. Whether DHS' payments are on-time or delayed, AlohaCare is contractually required to pay providers within

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certain time limits. We are currently working to determine how we will handle this financial burden while maintaining patient access to care.

- During a budget briefing this week DHS informed the House Finance Committee they may consider reducing Medicaid benefits in order to further reduce costs. If implemented, this will have a serious impact on the ability of Hawaii's most needy to get the health care services they need.
- The Hawaii Department of Health will cease services for seriously mentally ill children and adults. DHS has amended its contracts with health plans, including AlohaCare, so these patients will be covered by QUEST and QUEST Expanded.
- The QUEST program will no longer provide services to non-pregnant adult COFA migrants. DHS will move approximately 7,000 COFA beneficiaries to a new Basic Health Hawaii program commencing July 1, 2010.
- DHS has suffered a large reduction in force and reduced work days due to furloughs. The department is re-organizing how it fulfills its responsibilities and manages contracts, including Medicaid health plan agreements. DHS originally told AlohaCare that the next QUEST RFP would be issued in Fall 2010. However, in the past week DHS has informed us that timing is now uncertain due to the RIFs and furloughs.
- Congress continues to debate the future of national health care reform, which could change requirements DHS must fulfill to administer its Medicaid programs. While efforts have stalled, the passage of some kind of major health care legislation remains a possibility.

We believe all of the changes we have described will have an impact on the ability of Hawaii's Medicaid programs to deliver care. The situation is fluid with more change likely to come and we will not be able to assess the full impact of these changes on our Medicaid programs and Hawaii's entire health care delivery system until circumstances have been stabilized.

We do not believe it is beneficial for DHS to issue an RFP during the last months of its administration. We strongly believe it would be far more beneficial to allow the next administration to assess the needs and future of the programs and have full control and authority over QUEST RFP.

AlohaCare's contract for QUEST was recently extended to June 2011 and we assume other QUEST health plans have similar extensions. Therefore, it is not urgent to issue a request for proposals in 2010. We strongly believe that it would be best to solicit for new QUEST contracts next year.

Thank you for this opportunity to testify on this matter.