

HMSA



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February 4, 2010

The Honorable John Mizuno, Chair
The Honorable Ryan Yamane, Chair
House Committees on Human Services and Health

Re: HB 2774 – Relating to Human Services

Dear Chair Mizuno, Chair Yamane and Members of the Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2774 which would replace the QUEST programs with public assistance programs which preceded it including the state health insurance program.

As you are aware, recently the Department of Human Services (DHS) stated that due to budgetary shortfalls, they will withhold payments to contracted QUEST plans, beginning in April (potentially March) and extending through June. While we understand the budgetary restrictions the State is facing, DHS' decision significantly impacts a health plan's ability to pay for services. This has caused great concern, not only for the QUEST plans, but for our members and participating providers as well.

We do appreciate the creativity and out-of-the-box thinking of HB 2774. Reverting back to programs in existence prior to the creation of the QUEST programs could offer the state more flexibility in regard to benefit structure and cost sharing with members.

Unfortunately, the language also raises many concerns, including how such a wholesale change would be funded, how members would be transitioned and if this change would even be approved by the Centers for Medicare and Medicaid Services. Again we appreciate the dialogue that HB 2774 will surely open and hope that we can continue to strive towards finding workable solutions for problems the state's Medicaid system is facing today.

Thank you for the opportunity to testify.

Sincerely,

Jennifer Diesman
Vice President
Government Relations