

**SB 1310**

Waimānalo Health Center  
Ola Hāloa – The Sustaining of Life

**Comments in Support of Senate Bill 1310 Relating to Healthcare**

Submitted By: May Akamine, RN, MS, Executive Director

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The reasons that we strongly support this bill which allows patients enrolled in QUEST Expanded Access (QExA) to receive services through a provider at a community-based, patient-centered health care home, i.e. Waimanalo Health Center (WHC) or Waianae Coast Comprehensive Health Center (WCCHC) for the following reasons:

- Choices should be given to our most vulnerable Aged, Blind, and Disabled (ABD) Medicaid patients regarding the care that they receive and enrollment in the QExA program. Under this demonstration project, patients could choose a Patient-Centered Health Care Home (PCHCH) model of care. We would offer this PCHCH approach with a safety net, non-profit health plan (AlohaCare) working in partnership with us.
  - The PCHCH model is very effective because it is patient/family-driven, community-based, and has a health team approach with integrated, personalized services to meet the bio-psycho-socio-cultural-spiritual needs of the patient.
  - The PCHCH model is very efficient since pay for performance would be utilized to incentivize WHC and WCCHC to validate improvements in health outcomes for the QExA patients using clinical metrics and health information technology.
- Care management is not relegated to the health plans as it is in the current QExA program, but remains the responsibility of the patient, family, and the health care team which would include the health plan.
- In the QExA enrollment process, our patients had to choose a health plan before even knowing whether their primary care provider (us) and their specialists would be signing with the plan or not. To this day and in spite of our reassurances, many of our WHC ABD patients are still very anxious about whether they will continue being cared for by us and their specialists. We and their specialists know them and their fragile medical conditions best.
  - Since the initiation of QExA on February 1, we have received numerous complaints from patients who say that Ohana and Evercare are insisting that they cannot come to see us anymore and that they have to see another provider who has signed a contract with the plans. (Is this “restraint of trade”?) This is in direct conflict with what Med-QUEST Administrator Dr. Kenny Fink has told the plans.
  - Our patients are being denied needed medications even when the appropriate authorizations are completed.
- We remain concerned about federal investigations and pending licensure issues with these 2 mainland, for-profit health plans. In a recent article, *Regulators Halt WellCare From Signing New Medicare Customers*, published in the Tampa

Tribune on February 19, 2009, CMS suspended WellCare from signing up new Medicare beneficiaries because of its poor performance. This is very concerning since 2/3rds of our QExA patients are duo-eligible (i.e have both Medicaid and Medicare) and now WellCare cannot execute one of their major plans which is to enroll their QExA patients into their Medicare plan. Since CMS has taken drastic action against one of the QExA plans, what will the State do?

- What will these for-profit plans do with their profits that they will realize from administering QExA? I hear that managers of the plans are given hefty bonuses for every patient and/or provider who signs with their plan. Instead of lining the pockets of staff and stockholders, non-profit health plans like AlohaCare have a long history of reinvesting profits back into the community with funds for quality improvement, scholarships for college education, community health projects, etc.

Again, this bill allows another option for our ABD QExA Medicaid patients. As an alternative to the 2 for-profit health plans, our patients could choose the PCHCH model of care with us or WCCHC.

We appreciate the long-term, unwavering support that the Legislature has given our health centers, our patients and our communities. We urge your support for SB 1310, which allows an alternative provider at a health care home in the QExA program. Mahalo nui loa for your support. ALOHA!



February 27, 2009

To: Sen. Donna Mercado Kim, Chair  
Sen. Shan S. Tsutsui, Vice Chair  
Senate Ways and Means Committee

From: Paula Arcena  
Legislative and Community Liaison

Re: SB1310, SD1 Relating to HealthCare  
(Federal Demonstration Project; Waianae Coast Comprehensive Health Center;  
Waimanalo Health Center; Medical Home Health Care Program; Appropriation)

Thank you for the opportunity to comment on this bill.

AlohaCare supports SB1310.

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.

The measure is the brainchild of the Waianae Coast Comprehensive Health Center and the Waimanalo Community Health Center. AlohaCare would gladly participate in the program as stated by the bill.

The following is our summary of our reasons for supporting the bill.

#### Benefits

- Allow patients to have a choice of plans and healthcare providers.
- Gives State of Hawaii an opportunity to evaluate the quality, costs and benefits of healthcare services offered by the medical home concept.

#### AlohaCare's Role

- We would manage the care of participating patients at a capitation rate of one percent below the rate paid to the lowest bidder for the 2007 QUEST Expanded Access (QExA) program request for proposals.
- We would offer all services offered by the QUEST Expanded Access Program

- We would produce evidence of a provider network sufficient to deliver all services to the legislature no later than July 1, 2009.
- We would provide a pay-for-performance component that provides financial incentives to seek measureable health improvements.

#### Medical Home Concept

- The Medical Home Concept was developed right here in Hawaii. Dr. Calvin Sia, a now retired Hawaii pediatrician who practiced for many years at Kapiolani Medical Center for Women and Children, is the founding father of this model of care.
- The concept has gained approval from the medical community. The American Medical Association, American Academy of Pediatrics and others have recently endorsed the concept.
- This is an opportunity for the State of Hawaii to assess the potential for the Medical Home concept in Hawaii.
- The concept is intended to provide rapid access for acute problems and care management for chronic illness.
- It is designed to reduce spending through greater coordination of care, reduced hospitalizations and added emphasis on consultation rather than referral.
- These benefits are critical given that the treatment of chronic disease accounts for more than 75% of the nation's \$1.4 trillion medical care costs.
- It has been shown to increase efficiency and quality of care, and satisfaction for patients and healthcare providers.

Thank you for the opportunity to comment on this bill.

## **COMMENTS IN SUPPORT OF SB 1310: RELATING TO HEALTHCARE.**

Submitted By: Richard Bettini, Chief Executive Officer  
Waianae Coast Comprehensive Health Center  
Contact: 697-3457 or wcchc@wcchc.com

The Waianae Coast Comprehensive Health Center supports giving Medicaid Aged, Blind and Disabled patients of the Waianae Coast Comprehensive Health Center and Waimanalo Health Center a third option in choosing a "health plan".

This third option is a win/win for both taxpayers and patients. AlohaCare, a successful health plan owned by community health centers in Hawaii, that has typically underbid other QUEST health plans, would manage a broader range of services provided by the current two QUEST Expanded Health Plans. This option would offer the state and patients the following advantages:

1. Will do so at less cost to the State
2. Will do so with a more extensive and established provider network
3. Will do so with the addition of Native Hawaiian healing services and community based enabling or facilitating services
4. Will do so and return 50% of all margins left in risk pools to health center based job training and economic development programs
5. Will establish additional bonus payments for the two medical homes that demonstrate improved quality and performance outcomes through the use of electronic health records.

This model is not only an advantage to taxpayers and patients, it is necessary as patients in these two communities do not have a sufficient network of specialists or other medical care providers available under the current plans. (See the attached examples of the numerous complaints submitted by patients and staff.) These patients are also faced with a reduction in the very enabling services that have been shown to produce the most favorable and cost effective clinical outcomes under Medicaid managed care.

Unfortunately, AlohaCare's original bid for "QUEST X" services was returned unopened by DHS (despite typically being the low bidder)

AlohaCare did not pass the technical phase of the Request for Proposal. Please note what was emphasized in the RFP scoring values and what was not. Plans were scored well if they:

1. Had operated a Medicaid managed care program for ABD patients before (there has never been such a program in Hawaii so local plans faced a much more difficult challenge here)
2. Responded well in a subjective interview with DHS staff accounted for more than 50% of the qualifying values in the RFP. (These two factors accounted for approximately 50% of RFP value).

More troubling are the factors that were NOT included in the RFP values, including:

1. What is the provider network under contract by your health plan and how are they geographically distributed?
2. Have you ever served as a Medicaid managed care plan in Hawaii serving the families or communities being served by "QUEST X"?
3. How will your plan apply emerging models and practices associated with health care reform such as "pay for performance" and comprehensive "medical home" performance based programs?

The bill before you today represents a way to offer patients better services in communities with advanced medical home based models of care and who are currently not getting the services needed. The fact that "QUEST X" was allowed to begin without adequate networks of providers reflects negatively on our State and Federal agencies.

The Medical Home Model was introduced in Hawaii by Dr. Calvin Sia more than two decades ago. It is based on building a strong community based network of services to address the needs of high risk patients. It has evolved to incorporate cultural practices, enabling services, community participation and job and economic development being integrated into primary health care networks.

You may hear that this "carve out" is not feasible because of the current contract with the two "for-profit health plans" and because of the need to amend Hawaii's Medicaid waiver to allow a third provider. Are these plans not out of compliance with their contract because they do not have a sufficient network of providers? Hopefully, we can reach a point where Ohana Health and Wellcare see this carveout as being in their best interest as well. Particularly if it helps the QUEST Expanded Program achieve its intended goals.

Concerning the needed waiver amendment, given that the model that is being proposed by this bill is consistent with the direction of health care reform in the new federal administration, we believe the waiver modification could be reduced to 6 months. In the interim, we can construct a sufficient provider panel out-of-network from the existing plans to serve our patients.

We ask the legislature to support this bill and not allow a biased and poorly constructed bid process to de-value the self-reliant, progressive, and community-based initiatives represented by the alternative model proposed.



## **Hawai'i Primary Care Association**

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To: **The Senate Committee on Ways & Means**  
The Hon. Donna Mercado Kim, Chair  
The Hon. Shan S. Tsutsui, Vice Chair

**Testimony in Support of Senate Bill 1310, SD 1**  
**Relating to Health Care**  
**Submitted by Beth Giesting, CEO**  
**February 27, 2009, 9:00 a.m. agenda, Room 211**

The Hawaii Primary Care Association asks your support for this measure, which would make available an additional option for health care for people enrolled in the newly implemented QUEST-Expanded program and would demonstrate the effectiveness of a different model of health care delivery.

Thank you for your consideration of this measure and for the opportunity to testify in its support.