

**SB2099**

**SD1**



STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 23, 2009

MEMORANDUM

TO: Honorable Brian Taniguchi, Chair  
Senate Committee on Judiciary and Government Operations

FROM: Lillian B. Koller, Director

SUBJECT: **S.B. 2099, S.D.1 – RELATING TO HEALTH**

Hearing: Tuesday, February 5, 2009, 10:00 AM.  
Conference Room 016, State Capitol

PURPOSE: The purpose of this bill is to establish limits on requests for proposals from health and human service providers for QUEST contracts that exceed \$100,000,000 and commence after the term of the agency director expires.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) opposes this bill as it reduces the State's ability to strengthen its oversight and accountability of the QUEST health plans to ensure better quality of health care for our Medicaid clients and for efficiency, transparency and greater value to Hawaii taxpayers.

The purpose for this bill is not clear but seems to be based on the need for national health care reform to be enacted. The Senate Human Services and Health Committee Report stated that purpose for this measure is to ensure continuity of care for the neediest population in Hawaii and to make certain that Medicaid contracts reflect

expectations outlined in national health care reform, by establishing restrictions on the issuance of request for proposals for QUEST contracts.

Since the current QUEST contracts expire June 30, 2011, and national health care reform is currently stalled, it is more realistic to think that this bill will, in fact, more likely disrupt care for our Medicaid clients.

Requests for Proposals (RFP) for our Medicaid managed care programs are extensive, detailed and complex endeavors. Awarded health plans need sufficient time to prepare for commencement. DHS must ensure that there is uninterrupted services to our vulnerable clients. Also due to the time that the RFP requires, the process would need to begin this fall to avoid risking our QUEST program and negatively impacting the nearly 200,000 individuals served in that program.

The timeline for national health care reform to occur is uncertain. Having health care contracts in limbo for an unknown length of time is not good for our Medicaid clients or for State finances.

We ask that this bill be held.

Thank you for this opportunity to provide written testimony.

Faith Action for



Community Equity

Gamaliel Foundation Affiliate

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Oahu Lead Organizer

February 23, 2010

COMMITTEE ON JUDICIARY AND GOVERNMENT OPERATIONS

Senator Brian T. Taniguchi, Chair

DATE: Tuesday, February 23, 2010  
TIME: 10:00 a.m.  
PLACE: Conference Room 016  
State Capitol

SB 2099  
RELATING TO HEALTH

Chair Taniguchi and members of the Committee Judiciary and Government Affairs:

I am Rev Bob Nakata and I am the President of FACE, Oahu. FACE is an interfaith organization with membership including 28 churches, temples, unions and civic organizations and has been active in Hawaii for 12 years. It represents over 28,000 people who reflect the cultural and socio-economic diversity of our State. FACE exists to allow its members to live out our common faith-based values by engaging in actions that challenge the systems that perpetuate poverty and injustice. **FACE supports this measure and we ask that you pass this bill.**

Our State of Hawaii is in dire financial distress and many programs for our needy are being impacted by the reduction of administrative staffing. The DHS is one of these departments that have seen layoffs and furloughs. The system presently in place is coordinated and is functioning to provide healthcare to our QUEST population. This QUEST population continues to increase with the loss of jobs and health insurance for many of our healthy population is being assumed by QUEST and other State run programs.

Furthermore, with the 2010 elections, we will have a new Governor and Cabinet and we should not burden the new administration with a possible long-term change and implementation of a new Medicare process. Keeping the current programs in place will provide a continuity of care and the existing provider network in tact.

This measure will provide protection and stability with the changing circumstances of the federal and state budgets along with protection of the interest of the State of Hawaii, the providers presently under contract in the QUEST health care plans, the participating QUEST health plans and most importantly our most vulnerable population of QUEST members.

Thank you and we urge you to pass this measure.