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An Independent Licensee of the Blue Cross and Blue Shield Association

February 23, 2010

The Honorable Brian Taniguchi, Chair
The Honorable Dwight Takamine, Vice Chair
Senate Committee on Judiciary and Government Operations

Re: SB 2099 SD1 – Relating to Health

Dear Chair Taniguchi, Vice Chair Takamine and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of SB 2099 SD1 which would prohibit the Department of Human Services (DHS) from issuing a Request for Proposal (RFP) for the QUEST health plans in the year 2010.

Currently, every two years, DHS releases a RFP for health plans to provide coverage for QUEST members during a specified contract period, typically two years. The current QUEST contract technically expired June 30, 2009. The RFP for the next contract period has yet to be published, and is not expected to be released until the spring of 2010. Until such time, the state gave each plan the option to extend their contract and HMSA is operating with the understanding that the remaining contract extension will be in place until July 2011.

It is important to understand that the RFP process is costly and time consuming for both HMSA and the state. Given the current circumstances of budgetary concerns and the fact that DHS will be delaying payment to QUEST participating plans, there will be no additional resources to devote to the RFP process at this time.

Additionally, with a new Administration poised to take office in 2011, it would be prudent to put off these important decisions to allow new leadership to develop its own priorities and goals regarding the program. Given the concerns regarding the proposed RFP timeframe, we would respectfully request the Committee see fit to pass this measure, to protect not only the interests of the state and participating QUEST health plans but, most importantly, QUEST members.

Thank you for the opportunity to provide testimony today.

Sincerely,

A handwritten signature in black ink, appearing to read "JDiesman".

Jennifer Diesman
Vice President
Government Relations