

STAND. COM. REP. NO. 1203

Honolulu, Hawaii

March 24, 2011

RE: S.B. No. 1468
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Human Services and Health, to which was referred S.B. No. 1468, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

beg leave to report as follows:

The purpose of this bill is to improve the Medicaid health care system by delivering comprehensive, integrated, and holistic health care services to patients, including preventative and lifestyle health services by establishing:

- (1) The Hawaii Patient-Centered Health Home Pilot Program (Pilot Program) within the Medicaid program; and
- (2) A temporary Hawaii Medicaid Modernization and Innovation Council (Council) within the Department of Human Services (DHS) to develop and implement the Pilot Program.

The Hawaii Primary Care Association, Hawaii Medical Association, Hamakua Health Center, Inc., AlohaCare, Healthcare Association of Hawaii, About Face Family of Programs, and several concerned individuals supported this bill. The Hawaii Medical Service Association supported the intent. A concerned individual supported this bill with amendments. DHS opposed this measure. The Ohana Health Plan and a concerned individual provided comments.

SB1468 HD1 HSCR HUS-HLT HMS 2011-3323



Your Committees received testimony submitted by DHS stating that this bill will require funding and there are concerns about an adverse impact to DHS' priorities as indicated in the Governor's Executive Biennium Budget. DHS also points out that the establishment of a council or task force that exists in an advisory capacity as a forum for DHS to receive stakeholder input would be very valuable, and this would likely obviate the need for funding.

Moreover, this bill allows the Council to appoint an Executive Director and set a salary not to exceed the salary of the Deputy Director of DHS, which is approximately \$95,000.

Your Committees find that before mandating the establishment and implementation of the Pilot Program, that the matter should first be examined due to prudence and the conservation of limited resources. Accordingly, your Committees have amended this bill by eliminating the Council and authorizing the establishment of a Hawaii Medicaid Modernization and Innovation Task Force (Task Force) that may develop and implement the Pilot Program. Among other things, the amendments:

- (1) Establish the Task Force membership to include the same members of the Council, except for the addition of the Chairpersons of the committees with jurisdiction over human services and health of the respective houses of the Legislature, or the Chairpersons' designees;
- (2) Require Task Force members to serve without compensation and receive no reimbursements for expenses; and
- (3) Allow the Task Force to solicit monetary gifts and donations to offset the costs and expenses of the Task Force.

Your Committees have also amended this bill by:

- (1) Authorizing a program to be established within the appropriate agency to encourage Hawaii residents with advance health-care directives to maintain a copy on their person;



(2) Providing that:

(A) A managed care plan or provider offering services under any QUEST program should not modify reimbursement policies, guidelines, interpretation, or positions adopted by Medicaid or any agent, without providing a 90-day prior written notice of such change to any affected health care provider; and

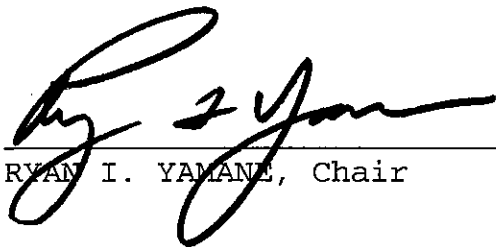
(B) Modifications may not be applied retroactively if it would have the effect of reducing reimbursements previously made to the health care providers if prior approval for reimbursement was obtained through Medicaid;

and

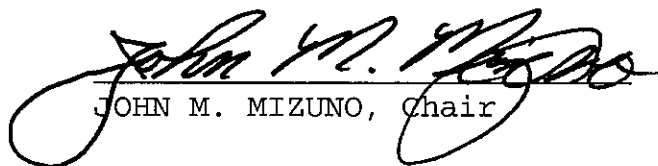
(3) Making technical, nonsubstantive amendments, for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1468, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1468, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Human Services
and Health,



RYAN I. YAMANE, Chair



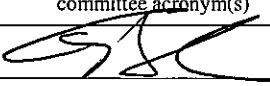
JOHN M. MIZUNO, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 1203

Record of Votes of the Committee on Human Services

| Bill/Resolution No.: SB 1468, SD2 | Committee Referral: HUS/HLT, FIN | Date: 3/21/2011 | | |
|--|--|---------------------------|------|----------|
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure. | | | | |
| The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) | | | | |
| HUS Members | Ayes | Ayes (WR) | Nays | Excused |
| 1. MIZUNO, John M. (C) | ✓ | | | |
| 2. JORDAN, Jo (VC) | | ✓ | | |
| 3. BELATTI, Della Au | | | | ✓ |
| 4. HANOHANO, Faye P. | ✓ | | | |
| 5. LEE, Chris | ✓ | | | |
| 6. MORIKAWA, Dee | ✓ | | | |
| 7. WOOLEY, Jessica | ✓ | | | |
| 8. YAMANE, Ryan I. | ✓ | | | |
| 9. CHING, Corinne W.L. | | | | ✓ |
| 10. PINE, Kymberly Marcos | ✓ | | | |
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| TOTAL (10) | 7 | 1 | | 2 |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div> | | | | |
| Vice Chair's or designee's signature: _____ <div style="text-align: center; font-size: 18pt; font-family: cursive;">  </div> | | | | |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | |

