

HB561,HD1

Measure
Title:

RELATING TO PUBLIC ASSISTANCE.

Report
Title:

QUEST

Description:

Requires QUEST or QUEST-net vendors to notify the DHS when QUEST or QUEST-net enrollees are also covered by private health insurance. Requires private health insurance plans to be the primary insurer. Effective July 1, 2050. (HB561 HD1)

Companion:

Package:

None

Current
Referral:

HMS, WAM

Introducer(s):

CHONG, M. LEE, B. OSHIRO, SAY, YAMASHITA



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

March 17, 2011

MEMORANDUM

TO: Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 561, S.D.1 - RELATING TO PUBLIC ASSISTANCE**

Hearing: Thursday, March 17, 2011; 1:45 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of the bill is to ensure that private insurance is the primary payor of medical claims for persons who have health insurance coverage both through the QUEST or QUEST-net programs and a private health insurance plan.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent this bill, but this bill is unnecessary as DHS already has the authority and intends to pursue the intent of the bill.

Medicaid is already the payer of last resort.

Additionally, health plans contracted with DHS already notify DHS when becoming aware that a member has a third party liability (i.e. another insurance coverage such as workman's compensation). DHS intends to clarify in its contracts with health plans that they are required to notify DHS of any member in a QUEST Expanded program (i.e. QUEST, QUEST-ACE, QUEST-Net, and QUEST Expanded Access) who also has private insurance through that health plan.

Thank you for the opportunity to provide testimony on this bill.
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HMSA



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March 17, 2011

The Honorable Suzanne Chun Oakland, Chair
The Honorable Les Ihara, Jr., Vice Chair

Senate Committee on Human Services

Re: HB 561 HD1 – Relating to Public Assistance

Dear Chair Chun Oakland, Vice Chair Ihara, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 561 HD1 which would require QUEST contracted health plans to notify the Department of Human Services (DHS) when members are also found to be receiving coverage under a private plan as well. HMSA supports the intent of this measure.

We understand the financial strain faced by the State and that there is a need to ensure that government-funded health care services are only being provided to those in need. Currently there are instances in which a QUEST member may be able to receive coverage under both a QUEST plan and through private coverage. These eligibility determinations are made by the Med-QUEST division, not contracted plans, and are based on an individual's income and family size. At this time, when HMSA discovers a member who is enrolled both in our QUEST plan and receiving coverage through a private plan, this information is passed on to the Med-QUEST division. We support the language in HB 561 HD1 to formalize this process in statute.

We would respectfully request that the Committee see fit to pass HB 561 HD1. Thank you for the opportunity to testify.

Sincerely,

Jennifer Diesman
Vice President
Government Relations