

NEIL ABERCROMBIE  
GOVERNOR



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**LATE**  
Testimony

February 8, 2011

**MEMORANDUM**

TO: Honorable Ryan I. Yamane, Chair  
House Committee on Health  
  
The Honorable John M. Mizuno, Chair  
House Committee on Human Services

FROM: Patricia McManaman, Interim Director

SUBJECT: **H.B. 561 - RELATING TO PUBLIC ASSISTANCE**

Hearing: Monday, February 7, 2011; 10:15 a.m.  
Conference Room 329, 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 the 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.

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.

February 7, 2011  
10:15am  
Conference Room 329

To: The Honorable John M. Mizuno, Chair  
The Honorable Jo Jordan, Vice Chair  
House Committee on Human Services

The Honorable Ryan I. Yamane, Chair  
The Honorable Dee Morikawa, Vice Chair  
House Committee on Health

From: Paula Arcena, Director of Public Policy

Re: HB561 Relating to Public Assistance

Thank you for the opportunity to testify on HB561, which would require QUEST or QUEST-net vendors to notify the DHS when QUEST or QUEST-net enrollees are covered by private health insurance and requires private health insurance plans to be the primary insurer.

AlohaCare is **opposed** to HB561.

Currently, all QUEST health plans are required under contract (RFP section 50.130) to inform DHS of any change in eligibility, including the information indicating that coverage is available by a private insurer or other public insurer such as Medicare or the Veterans' Administration. The identification and use of other insurance coverage by QUEST health plans helps ensure that Medicaid/QUEST is the payer of last resort.

Given this current policy, we don't believe that this bill is necessary.

AlohaCare has been contracted by the Hawaii Department of Human Services since the QUEST program started in 1994 to provide insurance coverage for Medicaid eligible beneficiaries through the QUEST program, which includes QUEST-net and QUEST-ace. We serve approximately 75,000 QUEST enrollees statewide.

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.

Thank you for the opportunity to provide this testimony.