

HB 569

HD1, SD1

NEIL ABERCROMBIE
GOVERNOR



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March 30, 2011

MEMORANDUM

TO: The Honorable David Y. Ige, Chair
Senate Committee on Ways and Means

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 569, H.D. 1, S.D.1 – RELATING TO MEDICAID**

Hearing: Wednesday, March 30, 2011; 9:30 a.m.
Conference Room 211, Hawaii State Capitol

PURPOSE: The purpose of this bill is to create a wellness pilot program within Medicaid and to appropriate general funds for the pilot program.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill. However, given the State's fiscal situation, DHS does not support spending general funds on this wellness pilot project when those funds could instead be used to preserve health care benefits.

DHS and its health plans are interested in implementing health and wellness programs with demonstrated evidence of effectiveness through high quality investigations. Typically, the cost-effectiveness of such prevention oriented interventions is much higher with public health interventions than clinical interventions, particularly regarding behavior change.

Our health plans have disease management programs. Although keeping people healthy is important, the return on investment is many years out, and only if the

intervention is effective. Wellness programs are most appropriate when population, not individual, based.

Investments in public health and prevention are typically underfunded and the returns occur after the budget cycle in which funding occurs. Such investments are important to do when funding is available, but given the State's current fiscal situation, any funding should instead be utilized to address pressing issues now.

The net cost of this bill over the biennium will be the amount that is appropriated and spent; no savings should be anticipated.

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



HAWAII MEDICAL ASSOCIATION

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Wednesday, March 30, 2011, 9:30 a.m, Conference Room 211

To: COMMITTEE ON WAYS AND MEANS
Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair

From: Hawaii Medical Association
Dr. Morris Mitsunaga, MD, President
Linda Rasmussen, MD, Legislative Co-Chair
Dr. Joseph Zobian, MD, Legislative Co-Chair
Dr. Christopher Flanders, DO, Executive Director
Lauren Zirbel, Community and Government Relations

Re: HB 569 HD 1 SD1 RELATING TO MEDICAID

In support.

Chairs and Committee Members:

The HMA is very grateful to the legislature for the opportunity to work on important problems relating to Medicaid in the joint legislative task force on Medicaid. As such, the HMA supports this bill.

It is important to ensure that "outcomes" based incentives do not serve as a disincentive to treat high-risk patients. It is also important to keep in mind that North Carolina has been very successful at bettering outcomes, lowering costs, and increasing provider buy in because their Medicaid program is run by nurses and physicians.

Thank you for the opportunity to provide this testimony.

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Tuesday, March 30, 2011

To: The Honorable David Y. Ige
Chair, Senate Committee on Ways and Means

From: 'Ohana Health Plan

Re: House Bill 569, House Draft 1, Senate Draft 1-Relating to Medicaid

Hearing: Tuesday, March 30, 2011, 9:30 a.m.
Hawai'i State Capitol, Room 211

Since February 2009, 'Ohana Health Plan has provided services under the Hawai'i QUEST Expanded Access (QExA) program. 'Ohana is managed by a local team of experienced health care professionals who embrace cultural diversity, advocate preventative care and facilitate communications between members and providers. Our philosophy is to place members and their families at the center of the health care continuum.

'Ohana Health Plan is offered by WellCare Health Insurance of Arizona, Inc. WellCare provides managed care services exclusively for government-sponsored health care programs serving approximately 2.3 million Medicaid and Medicare members nationwide. 'Ohana has utilized WellCare's national experience to develop an 'Ohana care model that addresses local members' healthcare and health coordination needs.

We appreciate this opportunity to submit our comments on House Bill 569, House Draft 1, Senate Draft 1-Relating to Medicaid. We limit our comments in support to Section 2 of this bill, which establishes a Joint Legislative Task Force on Medicaid.

Section 2 of this bill will lend stronger legislative support to an ad hoc working group that was established during the last legislative session in response to the Department of Human Services' proposal to delay payments to their five contracted QUEST health care plans by 3-4 months. The Medicaid Shortfall Coalition has been actively meeting since that time and is committed to continuing our work in order to ensure that health care becomes a higher priority as we move forward.

We are also committed to working together proactively to find solutions to reign in costs in our state's Medicaid program, as well as find new ways to bring in additional revenue for the sake of health care for our state's most vulnerable population.

Thank you for the opportunity to provide these comments on this measure.