



Senate Committee on Human Services
 Senator Suzanne Chun Oakland, Chair
 Senator Les Ihara Jr. Vice Chair

House Committee on Human Resources
 Representative John M. Mizuno, Chair
 Representative Jo Jordan, Vice Chair

915 North King Street
 Honolulu, Hawaii 96817

**Testimony on Informational Briefing Regarding the Department of Human Services Budget
 Submitted by Emmanuel Kintu, Chief Executive Officer/Executive Director
 March 10, 2011, 9:00 a.m., Room 329**

Kalihi-Palama Health Center (KPHC) is grateful to have Ms. Patricia McManaman as the Director of the Department of Human Services. She has cared deeply for the disadvantaged and disenfranchised throughout her professional career. We welcome her willingness to seek input from all of us.

We are concerned about budget cuts proposed for the Department's Med-QUEST Division. The proposed cuts could increase the number of uninsured, erect barriers to care for vulnerable residents of Hawaii, lead to poorer clinical outcomes and ultimately add to the total cost of health care. We urge the Director to reconsider cuts that would increase the ranks of the uninsured and erect barriers to health care.

KPHC served 4 out of 10 uninsured residents of Oahu in 2009. In 2010, the numbers were even higher. In an effort to improve outcomes and reduce costs, KPHC partnered with a QUEST Health Plan to analyze claims data for the 100 most expensive cases assigned to KPHC for the period July 1, 2009 through June 30, 2010. When we examined the total cost of the most expensive cases (including prescription drugs, out-patient, in-patient, and emergency room) we found that:

- Total Costs for KPHC are **by far** lower than those of non-Federally Qualified Health Center (FQHC) patients
- 4 out of 10 members were disenrolled from QUEST and became uninsured
- Total costs for patients who were disenrolled were 60% higher
- Fatalities for patients who were disenrolled were 5 times higher
- 4 out of 5 patients who were disenrolled re-qualified for QUEST coverage

When we consider the 100 most expensive patients who have been with KPHC for 12 months and compare them to the 100 most expensive cases who have been with KPHC for less than 12 month in calendar year 2010, we find that the total cost goes up by 240% for patients who have been with KPHC for less than 12 months. Directional data are given below. We need to keep these vulnerable patients enrolled in QUEST.

	Rx (Drugs)	Out- Patient	Out-Patient Other	In-Patient	Emergency Room	Total Cost
12 Months With KPHC	\$2,205	\$1,241	\$4,735	\$5,014	\$806	\$14,000
<12 Months With KPHC	\$1,504	\$904	\$4,437	\$26,494	\$1,168	\$34,501

Regarding COFA Migrants:

2 out of 10 of KPHC's patients are COFA migrants. 4 out of 10 of the 100 most expensive patients are COFA migrants. We need to keep them enrolled in QUEST to improve outcomes and manage costs more effectively.

We celebrate the fact that full QUEST benefits were restored to all eligible COFA migrants. We lament the fact that the FQHC reimbursement rate was not restored to us. Now patients expect and get full service from us however on average we collect less than 20 cents for every dollar we spend on each visit. We urge the Med-QUEST division to consider restoring the FQHC reimbursement rate for FQHCs.