



SENATE COMMITTEE ON HUMAN SERVICES
Sen. Suzanne Chun Oakland, Chair

Conference Room 016
Feb. 1, 2011 at 1:30 p.m.

Supporting SB 953.

The Healthcare Association of Hawaii (HAH) advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. Thank you for this opportunity to testify in support of SB 953, which establishes a mechanism to create a legislative committee to examine issues relating to the Medicaid shortfall.

Last year the State faced a shortfall in Medicaid funding that would have resulted in multiple months of delayed payments to health plans contracted by the State's Medicaid program to provide services to Medicaid enrollees. A shortfall of that magnitude would have resulted in delayed payments to health care providers. While some of the providers could have absorbed the delays, others would have found themselves in severe financial difficulty. Some of them would have been forced to go out of business.

The Healthcare Association convened a group of health plans, providers, and other interested parties to lobby for an emergency appropriation to reduce the Medicaid shortfall. Last year the Legislature passed SB 1178, which was enacted as Act 33, SLH 2010. This appropriation supported reimbursement for providers, and the financial crisis was averted – but only temporarily.

In the 2011-12 fiscal year the State may face another substantial Medicaid shortfall. The Legislature develops the overall State budget, so it should understand any shortages in Medicaid funding so that they can be addressed. SB 953 creates the mechanism to do so.

The Healthcare Association takes no position on the portion of the bill creating the Medicaid buy-in program.

For the foregoing reasons, the Healthcare Association supports SB 953.



Hawai'i Primary Care Association

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

Testimony in Support of Senate Bill 953

Relating to Human Services

Submitted by Beth Giesting, Chief Executive Officer

February 1, 2011, 1:30 p.m., Room 016

The Hawai'i Primary Care Association strongly supports this measure which would ensure adequate funding for the Medicaid program for the current fiscal year. Medicaid is far too important both to the enrollees who depend on it for essential care and for its contribution to Hawaii's health care sector to short-change. We recognize that the sustainability of the Medicaid program requires some significant and immediate changes and we look forward to working with the Administration and Legislature in its transformation.

Thank you for the opportunity to testify on this measure.

Board of Directors

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Honorary: Melissa Gibo, Catholic Charities Hawaii

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Lanakila Rehabilitation Center, Inc.

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Sustaining Member Agencies

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CARE Hawaii

Catholic Charities Hawaii

Full Life Corporation

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Heaven's Helpers, Inc.

Ka Lima O'Maui

Metrocare Hawaii, LLC.

Molokai Occupational Center

ORI (Opportunities and Resources, Inc)

Paradise Nursing

Preferred Home & Community Based Services

Quality Behavioral Outcomes, LLC

Responsive Caregivers of Hawaii

The Arc of Hilo

The Arc of Kona

The Institute for Family Enrichment

Winners at Work/Abilities Unlimited



January 31, 2011

The Honorable Suzanne Chun-Oakland, Chair of Senate Human Services Committee

The Honorable David Ige, Chair of the Senate Ways and Means Committee

State Capitol, House of Representatives
415 South Beretania Street
Honolulu, Hawaii 96813

Re: SB 953 Relating to Human Services

Dear Chairs Chun-Oakland, Ige, Vice-Chairs Ihara and Kidani, and members of the committees.

The Hawaii Waiver Providers Association (HWPAA) is a statewide association comprised of 24 Developmental Disabilities Medicaid Waiver Service Providers affording leadership to collaborate and shape the service system to meet the needs of people with developmental disabilities. Founded in 2001, HWPAA's mission is to provide the necessary resources to develop, strengthen, and attain the highest standards of excellence for the developmental disabilities community.

The Hawaii Waiver Providers Association ("HWPAA") submits this testimony in strong support of Senate Bill 953.

HWPAA's participants have been facing reduced services and insufficient rate levels during the past budget cuts. Our participants are in dire need for their services to be restored to pre-budget cut levels in order to grow and prosper.

We humbly ask for your support of Senate Bill 953 which provides for a release of funds to shore up the funding shortfall in our state's Medicaid program.

Thank you for this opportunity to testify,

Wanda Villareal
President - Hawaii Waiver Providers Association

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 1, 2011

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

Re: SB 953 – Relating to Human Services

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 953 which would appropriate State and matching federal funds to address a shortfall in the Medicaid program for FY 2010-2011. HMSA supports this measure.

During the last legislative session, with an extremely large budgetary shortfall looming, an emergency appropriation was passed to ensure that individuals enrolled in QUEST programs were able to continue to receive vital services. That shortfall caused great concern within the health care community and HMSA appreciates the efforts of the Legislature to fund health care services to the neediest of populations.

Unfortunately, with the State still facing budget deficits and the enrollment of QUEST plans continuing to expand, we are again here in support of a measure which will provide funding to prevent another shortfall. We acknowledge that the State is being forced to make extremely difficult decisions when it comes to funding vital services to the residents of Hawaii, and we are thankful for your continued support.

We would respectfully request that the Committee see fit to pass SB 953. Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink that reads 'Mark K. Oto'.

Mark K. Oto
Director
Government Relations



HAWAII MEDICAL ASSOCIATION

1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814
Phone (808) 536-7702 Fax (808) 528-2376 www.hmaonline.net

Tuesday, February 1, 2011, 1:15 p.m., Conference Room 016

To: COMMITTEE ON HUMAN SERVICES
Senator Suzanne Chun Oakland, Chair
Senator Les Ihara, Jr., 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, MD, Executive Director
Lauren Zirbel, Community and Government Relations

Re: SB 953 RELATING TO HUMAN SERVICES

In Support

Chairs & Committee Members:

Hawaii Medical Association supports SB 953. This bill is needed to ensure that our states most vulnerable patients continue to have access to care.

Some of our Physicians have recently testified in federal court on how the QExA companies consistently deny payment, delay payment, reduce payments without justification and generally have overly restrictive and burdensome formularies. Many of our physicians have been forced to stop accepting new patients from these plans because non-payment issues have resulted in severe hardship for their practice.

The QExA companies (Ohana/Wellcare and Evercare/United Healthcare) and Medicare (Palmetto) create significant obstacles to billing which frequently hamper provider collection efforts, costing each physician, pharmacist, care home operator and hospital substantial time and money. These plans are excessively prone to preauthorizations and denials and are very difficult to contact for resolution.

Not only do these plan's reimbursements not meet the administrative overhead cost of providing care, they often do not pay at all. According to HHSC's report to the legislature, non-payment issues are not unique to our physicians.

From the perspective of practicing physicians and their patients, this audit is sorely needed. Thank you very much for hearing this bill.

OFFICERS

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- STEPHEN KEMBLE, MD EXECUTIVE DIRECTOR - CHRISTOPHER FLANDERS, MD

To: The Honorable Suzanne Chun-Oakland, Chair of the Senate Human Services Committee
The Honorable David Ige, Chair of the Senate Ways and Means Committee

From: Wanda Villareal, Director of Developmental Services
Laura Robertson, President/CEO
Goodwill Industries of Hawaii, Inc.

Date: January 31, 2011

Re: **Testimony in support of SB 953– Relating to Human Services**

Goodwill Industries of Hawaii, Inc. ("Goodwill") submits this testimony in support of SB 953. Goodwill receives funding from the Department of Health-Developmental Disabilities Division ("DOH-DDD") via a DHS Medicaid Waiver Contract to operate Adult Day Health and Personal Assistance/Habilitation programs for individuals with significant developmental disabilities on Oahu and in East Hawaii (Hilo). Participants in Goodwill's programs and their families are Medicaid Waiver recipients who have limited socioeconomic resources. Medicaid Waiver programs are essential for the public health, safety, welfare and education of individuals with developmental disabilities.

Goodwill Industries of Hawaii submits this testimony in strong support of Senate Bill 953.

Goodwill's Medicaid-Waiver participants have been facing reduced services and insufficient rate levels during the past budget cuts. Our participants are in dire need for their services to be restored to pre-budget cut levels in order to grow and prosper.

We humbly ask for your support of Senate Bill 953 which provides for a release of funds to shore up the funding shortfall in our state's Medicaid program.

Thank you for this opportunity to testify.

Jan 28, 2011

Senator Suzanne Chun Oakland
State Capitol, Room 226
415 South Beretania Street
Honolulu, HI 96813

Dear Senator Chun Oakland,

Last year the State faced a shortfall in Medicaid funding that would have resulted in multiple months of delayed payments to health plans contracted by the State's Medicaid program to provide services to Medicaid enrollees. A shortfall of that magnitude would have resulted in delayed payments to health care providers. While some of the providers could have absorbed the delays, others would have found themselves in severe financial difficulty. Some of them would have been forced to go out of business.

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In the 2011-12 fiscal year the State may face another substantial Medicaid shortfall. The Legislature develops the overall State budget, so it should understand any shortages in Medicaid funding so that they can be addressed. SB 953 creates the mechanism to do so.

I take no position on the portion of the bill creating the Medicaid buy-in program.

Thank you.

Sincerely,

Mr. Kevin Roberts
640 Ulukahiki St
Kailua, HI 96734-4454