



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

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

Supporting SB 964.

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 964, which appropriates funds to Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) for direct medical care to the uninsured.

In order to continue to provide quality health care to their 125,000 patients, one-quarter of which are uninsured, FQHCs and RHCs financial positions must be improved. These providers serve a key role in delivering primary care services, particularly in rural areas. Strong and viable health centers can have an impact on constraining healthcare costs in Hawaii due to their emphasis on primary care and prevention. Timely access to primary care services can alleviate future and more costly health care encounters like emergency room and inpatient hospital admissions.

The appropriation of State funds would also assist in supplementing the efforts of Federal health reform under the Affordable Care Act, which has appropriated nearly \$34 billion in grants that will be made during the next 10 years.

For the foregoing reasons, the Healthcare Association supports SB 964.



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 964

Relating to Public Health

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 that federally qualified health centers (FQHCs) are adequately reimbursed for all Med-QUEST programs and would appropriate funds to pay for services provided to the uninsured.

FQHCs, or community health centers, are the backbone of the Medicaid delivery system. They serve nearly one in three enrollees and save an estimated \$1,232 per member per year compared to other providers due to a model of care that effectively manages the care for people with exceptionally poor health and significant socio-economic barriers. The situation that prompts this proposed legislation is the court-ordered restoration of Medicaid benefits for migrants under the Compacts of Free Association (COFA). While the State has restored these benefits, they are not currently reimbursing FQHCs in accordance with the federally mandated prospective payment system (PPS). This federal mandate for Medicaid reimbursement is based on the recognition that FQHCs provide so much more than mere clinical services to meet patients' needs, that these services are more costly to provide (although they save the program money in averted specialty, ER, and inpatient reimbursements), and that FQHCs should not have to expend grant dollars to subsidize public insurance programs.

FQHCs are the providers most likely to care for COFA migrants, who tend to have co-occurring chronic and communicable disease and linguistic, cultural, and economic barriers to care. Addressing the needs of COFA migrants requires considerable staff time and resources on the part of the health centers. Because of the health concerns of COFA migrants, they would be even more likely than most Medicaid recipients to need a higher level of costly care if they were not served by the FQHCs. While we share DHS and lawmakers' concern about the budgetary problems of the Medicaid program, we believe that it is counterproductive and unfair to underpay FQHCs for their uniquely valuable and cost-saving services. This legislation would address this inequity.

Section 2 of this bill would appropriate funds to restore general funds that allow community health centers to provide their full range of medical, dental, and mental health services for the uninsured. This is a very good investment on the part of the state to ensure that uninsured people, who are most often living in or near poverty, are appropriately cared for and do not burden hospital ERs.

Thank you for the opportunity to testify on this measure.

Kokua Kalihi Valley Comprehensive Family Services

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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 964

Relating to Public Health

Submitted by David Derauf

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

Kokua Kalihi Valley strongly supports this measure which would ensure that federally qualified health centers (FQHCs) are adequately reimbursed for ALL Med-QUEST programs would appropriate funds to pay for services provided to the uninsured.

Health Centers save the State of Hawaii money, provide high quality care and are also financial engines to their communities.

FQHCs, like KKV, provide the largest share of care to COFA migrants, who have complex medical but also social issues as well as significant barriers to care such as language and transportation. Addressing the needs of COFA migrants requires considerable staff time and resources on the part of the health centers. Currently, health centers are not reimbursed for care to COFA Medicaid recipients in a manner consistent with this increased complexity and increased cost.

Section 2 of this bill would appropriate funds to restore general funds that allow community health centers to provide their full range of medical, dental, and mental health services for the uninsured. FQHC's are a way for the State to save money through the provision of good primary care rather than expensive emergency room visits and hospitalization.

Thank you for the opportunity to testify on this measure.

Jan 28, 2011

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

Dear Senator Chun Oakland,

Thank you for this opportunity to testify in support of SB 964, which appropriates funds to Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) for direct medical care to the uninsured.

In order to continue to provide quality health care to their 125,000 patients, one-quarter of which are uninsured, FQHCs and RHCs financial positions must be improved. These providers serve a key role in delivering primary care services, particularly in rural areas. Strong and viable health centers can have an impact on constraining healthcare costs in Hawaii due to their emphasis on primary care and prevention. Timely access to primary care services can alleviate future and more costly health care encounters like emergency room and inpatient hospital admissions.

The appropriation of State funds would also assist in supplementing the efforts of Federal health reform under the Affordable Care Act, which has appropriated nearly \$34 billion in grants that will be made during the next 10 years.

For the foregoing reasons, I support SB 964.

Mahalo.

Sincerely,

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