



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 978

Relating to Medicaid

Submitted by Beth Giesting, Chief Executive Officer

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

The Hawaii Primary Care Association strongly supports this measure which would provide matching funds to ensure that the Department of Human Services can start the very necessary and urgent task of updating its electronic eligibility system. This is essential preparation for health care reform implementation by 2014.

Thank you for the opportunity to testify on this measure.



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

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

Supporting SB 978.

The Healthcare Association of Hawaii 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 978, which appropriates funds for a new system for determining Medicaid eligibility.

The system currently being used to determine Medicaid eligibility is obsolete and unable to handle the high volume of applicants because it relies on paper-driven processes. As an indication of the volume, more than a quarter of a million people are enrolled in Hawaii's Medicaid program. Delays in processing applications translates to delays in obtaining access to health care.

As noted in Section 1 of the bill, the Affordable Care Act (ACA) requires each state to have a health insurance exchange by 2014. The ACA also requires each state to have a website through which individuals may apply for Medicaid or private health care insurance so that there is seamless coordination between the two. Hawaii's current Medicaid application system is not capable of performing the federally mandated functions.

Fortunately, the federal government is creating a financing program that will match state funding to establish new Medicaid eligibility systems, with the federal government providing 90% of the total funding. Federal funds will also become available to maintain the new Medicaid eligibility systems. This is an opportunity that should not be ignored.

For the foregoing reasons, the Healthcare Association supports SB 978.

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 978 – Relating to Medicaid

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 978 which would provide funding to the Department of Human Services (DHS) to implement a new information technology system. HMSA supports this measure.

The federal Affordable Care Act (ACA) requires significant modifications be made to government health care programs, both Medicare and Medicaid. Hawaii's Medicaid program, QUEST, will have to make extensive changes to its current operations, including usage of a federally developed standard eligibility form for enrollment into QUEST or the Hawaii Insurance Exchange, developing an internet site and procedures for individuals to enroll through the internet in QUEST and ensure individuals determined ineligible for QUEST are screened for eligibility in an Exchange plan, and for any applicable subsidies. These activities would be difficult to accomplish by 2014 for any organization, but with the staffing cuts and shrunken budget which DHS has been operating under, assistance will be necessary in order to meet federal deadlines.

SB 978 would provide some of this assistance through the provision of State funding which will draw down a 90% match in federal dollars. These funds will help to establish a new information technology system for determining QUEST eligibility within the State. Without these funds it will be nearly impossible for the State to comply with the ACA requirements regarding eligibility screening.

We support SB 978 and hope that the Committee sees fit to pass this measure today. Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark K. Oto'.

Mark K. Oto
Director
Government Relations