

NEIL ABERCROMBIE
GOVERNOR



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February 9, 2012

TO: The Honorable John M. Mizuno, Chair
House Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 1713 - RELATING TO MEDICAID**
Hearing: Thursday, February 9, 2012; 8:30 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of H.B.1713 is to require the Department of Human Services (DHS) to accept applications for Medicaid in written form as well as electronically no later than January 1, 2014 and also required DHS to convert any written document after December 13, 2013, relating to the Medicaid application to an electronic record and incorporate it into an integrated electronic system.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the bill to develop and maintain records electronically but opposes this bill as it is unnecessary. The Affordable Care Act (ACA) requires the DHS to establish electronic application capability prior to January 1, 2014. The ACA also has specific requirements for how Medicaid programs interface with state insurance exchanges. Hawaii has not yet determined who will have the responsibility for developing and maintaining the various components of the user interface, application process, premium subsidy assistance, and federal hub interface. This bill

could limit the ability for the State and the Connector to develop their preferred architecture. The DHS, however, is moving forward in close communication with the Connector to develop an electronic eligibility system that will comport with ACA requirements.

The Department supports document imaging. It is anticipated that no additional documentation will be required for individuals who are not aged, blind, or disabled. Additional documents will still be required for those who are aged, blind, or disabled. Converting to document imaging will require a significant investment in fixed costs for hardware, software, training, and additional staffing, as well as ongoing maintenance costs.

The Med-QUEST Division lost 35 positions through the reduction in force despite a more than 30% increase in enrollment over the past three years. Current staffing will not be able to process applications and maintain caseloads as well as convert the hundreds of thousands of pages of documents.

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

Testimony for HUS 2/9/2012 8:30:00 AM HB1713

Conference room: 329

Testifier position: Support

Testifier will be present: No

Submitted by: Scott Wall

Organization: Individual

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Submitted on: 2/7/2012

Comments: