

# LATE TESTIMONY



94-450 Mokuola Street, Suite 106, Waipahu, HI 96767  
808.675.7300 | www.ohanahealthplan.com

Friday, January 27, 2012

To: The Honorable Robert N. Herkes  
Chair, House Committee on Consumer Protection and Commerce

From: 'Ohana Health Plan

Re: House Bill 1736, House Draft 1-Relating to the Hawaii Health Insurance Exchange

Hearing: Wednesday, February 8, 2012, 2:00 p.m.  
Hawai'i State Capitol, Room 325

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'Ohana Health Plan is managed by a local team of experienced health care professionals who embrace cultural diversity, advocate preventative care and facilitate communications between members and providers. Our philosophy is to place members and their families at the center of the health care continuum.

'Ohana Health Plan is offered by WellCare Health Insurance of Arizona, Inc. WellCare provides managed care services exclusively for government-sponsored health care programs serving approximately 2.4 million Medicaid and Medicare members nationwide. 'Ohana has been able to take WellCare's national experience and that of our local team to develop an 'Ohana care model that addresses local members' health care, long-term care and care coordination needs.

We appreciate this opportunity to testify to submit testimony in support of House Bill 1736, House Draft 1-Relating to the Hawaii Health Insurance Exchange. The purpose of this measure is to specify that the Hawaii Health Connector establish a separate program and risk pool to serve the individual market and a separate program and risk pool to serve the small group market, establish staggered terms for board members, clarify qualifications of and restrictions on navigators, and to clarify the role of the Department of Human Services in determining Medicaid eligibility.

The separation of risk pools in the individual and small group markets serves to level the playing field inside and outside of the Exchange, reducing the potential for excessive premium growth or instability in markets inside or outside of the Exchange. We also support the staggering of the Connector Board appointees as it will ensure a line of continuity in these important discussions surrounding the increase in accessibility to health care coverage in Hawai'i.

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We would also like to take this opportunity to encourage the committee to consider amending the bill to include authorizing language for a Basic Health Plan (BHP) option so as to give the Administration and the Connector Board the statutory ability to move forward with a BHP should they choose to do so.

The inclusion of a BHP in the Health Insurance Exchange will offer a high-quality, cost-effective mechanism for providing health coverage for low-income populations. Individuals and families under 200% of poverty frequently change jobs and often experience fluctuations in income. In the past, this meant that they churned, or moved back and forth, between public coverage like Medicaid and CHIP and uninsured status. Since BHP health plans can and should be designed to coordinate seamlessly with Medicaid and CHIP - using the same providers, rate schedules and health plans - BHP enrollees will be able to obtain uninterrupted care even if their source of coverage changes.

We would also recommend that Hawaii's BHP leverage its existing robust QUEST, QxEA and CHIP health plan community in order to allow families in which parents and children are eligible for varying affordability programs to maintain coverage in the same plan, rather than having parents and children divided between various coverage sources.

'Ohana would recommend that QUEST and QxEA plans be automatically deemed as approved BHP plans. Medicaid plans have significant experience serving low-income populations and contracting with essential community providers. Medicaid managed care plans are already subject to stringent licensing and certification processes that far exceed the minimum requirements set out in the Affordable Care Act to participate as a BHP provider. Automatic deeming of QUEST plans will reduce the administrative burden on the state and facilitate rapid implementation. To further simplify BHP implementation, we recommend that Hawaii establish a BHP by amending existing Quest, QxEA and CHIP managed care contracts. Building upon these existing infrastructures, BHP becomes a "turnkey" start-up, thus reducing administrative costs and improving seamless coordination with other programs.

Thank you for this opportunity to testify in support of House Bill 1736, House Draft 1.