



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

Monday, January 30, 2012

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

From: 'Ohana Health Plan

Re: House Bill 1913-Relating to the Medicaid

Hearing: Monday, January 30, 2012, 8:30 a.m.
Hawai'i State Capitol, Room 329

'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 respectfully express our concerns regarding House Bill 1913-Relating to Medicaid and the misstatements contained within.

While we certainly appreciate the intent of this measure, and of House Bill 1913, we firmly believe that these bills are unnecessary and would be a detrimental use of taxpayer dollars that could instead be applied to helping restore and sustain recent reductions in the Medicaid program.

The purported issues listed in this bill are not new to us and have continually been addressed since the implementation of the QUEST Expanded Access (QExA) program on February 1, 2009. Understandably, there were problems in the beginning, as there is with the launch of any new program. However, over the past three years our company has worked diligently to address and rectify any problems, real or perceived. In a recent informational briefing by this very committee on Thursday, January 12, 2012, the committee and members of the public were once again asked to please bring any issues to us to resolve, yet not a single complaint was brought to our attention, either publically or privately.

It is also important to note that the Department of Human Services (DHS) already contracts with the Health Services Advisory Group (HSAG), an independent, third-party health

services company that is nationally recognized as an external quality review organization (EQRO) to evaluate all five (AlohaCare, Evercare, HMSA, Kaiser and 'Ohana Health Plan) QUEST managed care plans contracted with them on an annual basis. HSAG has over 30 years of experience in peer review and health services audits, with extensive experience with Medicaid programs in more than a dozen states and has a very thorough knowledge of Medicaid policies and delivery systems. Their quality review services affect more than 13 million Medicaid recipients, approximately 45 percent of the nation's Medicaid population and are recognized as one of the most successful health care quality improvement and quality review organizations in the nation. It is HSAG's mission to be a positive force in health care by providing quality expertise to those who deliver care and helpful information to those who receive health care services.

HSAG conducts a very thorough and in-depth audit on the all the contracted QUEST health plans every year. This EQRO audit is a weeklong process, which also requires several months of advanced preparation in which they thoroughly review each plan's records and data.

In 2010, the HSAG audit reviewed five standards: 1) Access and Availability; 2) Coverage and Authorization of Services; 3) Coordination and Continuity of Care; 4) Quality Assessment and Performance Improvement; and 5) Practice Guidelines. The five contract QUEST plans scored as follows:

Standard #	Standard Name	AlohaCare QUEST	HMSA QUEST	Kaiser QUEST	Evercare QExA	Ohana QExA	Statewide Average
I	Access and Availability	98%	98%	96%	96%	98%	97%
II	Coverage and Authorization of Services	89%	86%	100%	79%	89%	89%
III	Coordination and Continuity of Care	100%	100%	100%	93%	100%	99%
IV	Quality Assessment and Performance Improvement	100%	100%	100%	100%	100%	100%
V	Practice Guidelines	100%	100%	100%	88%	100%	98%
	Total Compliance Score:	97%	96%	98%	91%	97%	96%
Total Compliance Score: The overall percentages obtained by adding the number of elements that received a score of <i>Met</i> to the weighted (multiplied by 0.50) number that received a score of <i>Partially Met</i> , then dividing this total by the total number of applicable elements.							

Source: 2010 Hawaii External Quality Review Report of Results, Page 6 of 154

In 2011, the HSAG audit reviewed five different areas: 1) Delegation; 2) Member Information; 3) Grievance System; 4) Provider Selection; and 5) Credentialing. The 2011 scores are as follows:

Standard #	Standard Name	AlohaCare QUEST	HMSA QUEST	Kaiser QUEST	Evercare QExA	'Ohana QExA	Statewide Score
I	Delegation	77	100	NA*	91	100	92
II	Member Information	94	92	95	91	98	94
III	Grievance System	72	76	62	79	95	77
IV	Provider Selection	100	100	100	100	100	100
V	Credentialing	96	98	100**	25	93	83
Total Compliance Score:		89	92	89	64	96	86
<small>*Kaiser was not reviewed for this standard, as it did not delegate any managed care functions for its Medicaid program. **Kaiser was "deemed" compliant for credentialing, as it had released 100 percent compliance in its NCOA accreditation review.</small>							

Source: 2011 Hawaii External Quality Review Report of Results, Page 4 of 208

We are very proud to show that in 2011, 'Ohana Health Plan received the highest score out of any of the five contracted health plans in the State of Hawai'i. The detailed audits, which are several hundred pages long, can be found on the Med Quest website, and is publically available.

This bill is asking the State Auditor to conduct a management and financial audit of Evercare and 'Ohana Health Plan, and specifically requests that the audit include the following:

- 1) The quality and efficiency of services provided to Medicaid clients by Evercare and 'Ohana Health Plan;
- 2) Client access to services provided by both companies;
- 3) The billing of clients by both companies; and
- 4) The financial soundness of the Evercare's and 'Ohana Health Plan's parent companies, UnitedHealth Group Inc. and WellCare Health Plans, Inc., in ensuring quality services to their clients.

We believe that much of the bill is duplicative of the in-depth audits that the State paid an impartial, nationally recognized and utilized company that specializes in health care service reviews to conduct. Should the legislature feel compelled to continue with an audit on the contracted QExA plans, a more fiscally prudent approach would be to make recommendations to the DHS on what areas they would like to see the next HSAG audit look into. This is a more practical approach to addressing the legislature's concerns and achieving the same outcomes without having to expend additional state dollars which could then be applied towards restoring services and benefits to Hawai'i's Medicaid population.

We strongly urge the committee to take these concerns into serious consideration while making your decisions on this measure and House Bill 2285. Thank you for the opportunity to share these comments. Thank you for the opportunity to provide these comments.

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