



## HAWAII MEDICAL ASSOCIATION

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TO: COMMITTEE ON HUMAN SERVICES

Rep. John M. Mizuno, Chair

Rep. Jo Jordan, Vice Chair

DATE: Thursday, February 09, 2012

TIME: 8:30am

PLACE: Conference Room 329

From: Hawaii Medical Association

Dr. Roger Kimura, MD, President

Linda Rasmussen, MD, Legislative Co-Chair

Dr. Joseph Zobian, MD, Legislative Co-Chair

Dr. Christopher Flanders, DO, Executive Director

Lauren Zirbel, Community and Government Relations

Re: HB 2546 MAKING AN EMERGENCY APPROPRIATION TO THE  
DEPARTMENT OF HUMAN SERVICES FOR HEALTH CARE PAYMENTS.

In Support

Chairs & Committee Members:

Hawaii Medical Association supports this measure.

With Medicaid reimbursements now at around 60-57% of 2006 Medicare rates it is difficult to imagine how bad the situation of access to care will be if an appropriation to fill the Medicaid shortfall does not succeed.

Hawaii is hemorrhaging doctors because of high liability premiums and some of the lowest reimbursements in the nation. We are currently 644 physicians short according to a recent workforce assessment. **The primary reason that Physicians are unable to practice on the neighbor islands is because of the higher concentrations of Quest patients. One of our Physicians who is a Cardiologist was unable to qualify for a small business loan to practice on the Big Island because the bank did not recognize practicing medicine there as a viable business. She was forced to commute to Hawaii to practice. Physicians who see Medicaid patients will be unable to survive in Hawaii if reimbursements are lowered or payment becomes even more delayed than it already is.**

### OFFICERS

PRESIDENT - ROGER KIMURA, MD, PRESIDENT ELECT - STEVE KEMBLE, MD

Immediate Past President – Morris mitsunaga, MD, Secretary - Thomas Kosasa, MD,

Treasurer – Walton Shim, MD, Executive Director – Christopher Flanders, DO

Enrollment in Med-QUEST health care programs continued to increase in fiscal year 2011-2012, creating an additional shortfall of \$449,782 in HMS 401 for health care payments for fiscal year 2011-2012.

The transfer of funds from HMS 401 was approved by the governor pursuant to section 95 of Act 164, Session Laws of Hawaii 2011, which permits transfers of funds between programs within an expending agency.

The purpose of this Act is to appropriate \$11,881,157 in general funds for an emergency appropriation for fiscal year 2011-2012 for health care payments (HMS 401) to address the funding shortfall in the Med-QUEST health care programs as the result of the transfer of funds in fiscal year 2011-2012 and increase in medicaid enrollment.

This funding will ensure continued timely payments to contracted health plans and will ensure that there will be no disruption in the provision of medically necessary services to program recipients.

Thank you very much for hearing this bill.

Mahalo for the opportunity to provide testimony.

# HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 9, 2012

The Honorable John M. Mizuno, Chair  
The Honorable Jo Jordan, Vice Chair

House Committee on Human Services

**Re: HB 2546 – Making an Emergency Appropriation to the Department of Human Services for Health Care Payments**

Dear Chair Mizuno, Vice Chair Jordan and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to support HB 2546 which appropriate an emergency appropriation for various programs in the Department of Human Services (DHS), including the MedQUEST Division.

During the course of the year, DHS was required to transfer \$11,431,375 from the MedQUEST program to cover shortages in other programs. This emergency appropriation will allow DHS to reimburse the MedQUEST account. Additionally, increased enrollment in the QUEST program has resulted in a \$449,782 shortfall in that program. Passage of the Bill will ensure the QUEST program is able to cover those shortages and allow health care providers are properly reimbursed.

Thank you for this opportunity to support HB 2546.

Sincerely,

A handwritten signature in black ink, appearing to read 'JD', with a long horizontal stroke extending to the right.

Jennifer Diesman  
Vice President  
Government Relations



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Thursday, February 9, 2012

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

From: 'Ohana Health Plan

Re: House Bill 2546-Making an Emergency Appropriation to the Department of Human Services for Health Care Payments

Hearing: Thursday, February 7, 2012, 8:30 a.m.  
Hawai'i State Capitol, Room 329

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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.

Thank you for this opportunity to testify in support of House Bill 2546-Making an Emergency Appropriation to the Department of Human Services for Health Care Payments. This bill will appropriate \$11,881,157 in general funds for an emergency appropriation for fiscal year 2011-2012 for health care payments (HMS 401) to address the funding shortfall in the Med-QUEST health care programs as the result of the transfer of funds in fiscal year 2011-2012 and increase in Medicaid enrollment. Passage of this measure will ensure continued timely payments to the five contracted health plans and will ensure that there will be no disruption in the provision of medically necessary services to program recipients.

Thank you for this opportunity to testify in support of House Bill 2546-Making an Emergency Appropriation to the Department of Human Services for Health Care Payments.



HOUSE COMMITTEE ON HUMAN SERVICES  
Rep. John Mizuno, Chair

Conference Room 329  
February 9, 2012 at 8:30 a.m.

**Supporting HB 2546:**      **Making an Emergency Appropriation to the Department of Human Services for Health Care Payments**

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. In addition to providing quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 40,000 people. Thank you for this opportunity to testify in support of HB 2546, which makes an emergency appropriation to the Department of Human Services for health care payments (HMS 401).

Due to a shortfall in the State budget, funds were transferred from health care payments (HMS 401) to other programs, creating a shortfall in HMS 401. HMS 401 supports Hawaii's Medicaid program, which now covers more than one in five residents of Hawaii. This appropriation helps ensure the uninterrupted reimbursement to providers for the provision of medically necessary services to low-income adults and children.

For the foregoing reasons the Healthcare Association of Hawaii supports HB 2546.

Testimony for HUS 2/9/2012 8:30:00 AM HB2546

Conference room: 329

Testifier position: Support

Testifier will be present: No

Submitted by: Scott Wall

Organization: Individual

E-mail: [robertscottwall@yahoo.com](mailto:robertscottwall@yahoo.com)

Submitted on: 2/7/2012

Comments: