



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

LATE
Testimony

February 7, 2011

MEMORANDUM

TO: Honorable Ryan I. Yamane, Chair
House Committee on Health

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

FROM: Patricia McManaman, Interim Director

SUBJECT: **H.B. 569 - RELATING TO PUBLIC ASSISTANCE**

Hearing: Monday, February 7, 2011; 10:15 a.m.
Conference Room 329, State Capitol

PURPOSE: The purpose of the bill is to require recipients of medical assistance under any Medicaid program administered by the Department of Human Services to actively re-enroll in such program every year and eliminate automatic re-enrollment.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this bill. This bill does not change eligibility criteria, rather it helps ensure that individuals who are no longer eligible for medical assistance stop receiving it.

Although this bill uses the term "re-enrollment," the effect of this bill is simply to remove passive renewal, not to require re-enrollment such as through annual re-application. This bill allows the continuation of self-declaration.

As a general matter, passive renewal currently exists for households that have a child recipient of medical assistance. When the household comes up for its annual review, it receives a notice that includes information DHS currently has in its system

such as income, assets, household size, and address. Passive renewal means that if someone does not actively return the notice indicating no change, DHS will assume that the information, and therefore eligibility, has not changed.

DHS is required by the Centers for Medicare and Medicaid Services to conduct Medicaid Eligibility Quality Control. Of the samples analyzed, approximately 60-70% were confirmed eligible, approximately 7-10% were confirmed ineligible, and approximately 15-30% did not provide information to allow a determination. Reasons for ineligibility include a change in income, assets, household size, receipt of employer sponsored health insurance, relocation outside Hawaii, and death.

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

ALLIANCE OF RESIDENTIAL CARE ADMINISTRATORS

P.O. Box 758, Pearl City, Hawaii 96782

February 4, 2011

Testimony Supporting of HB 569 – HUS/HLT - Feb. 7, 2011, 10:15 a.m., Rm. 329

Members of the Committees:

The Alliance of Residential Care Administrators (ARCA) **supports HB569** that would require recipients of medical assistance under any Medicaid program administered by the Department of Human Services to actively re-enroll in such program every year. We understand this would eliminate automatic re-enrollment.

ARCA believes this bill would be in the best interest of both providers and clients. No compromise to the health or safety of the public will arise from this measure.

For these reasons, ARCA supports HB569.

Very truly yours,

Alliance of Residential Care Administrators

Medy DeLara, President

February 7, 2011
10:15am
Conference Room 329

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

The Honorable Ryan I. Yamane, Chair
The Honorable Dee Morikawa, Vice Chair
House Committee on Health

From: Paula Arcena, Director of Public Policy

Re: HB569 Relating to Medicaid

Thank you for the opportunity to testify on HB569, which would require recipients of medical assistance under any Medicaid program administered by the Department of Human Services to actively re-enroll in such program every year; and eliminate automatic re-enrollment.

AlohaCare is **opposed** to HB569.

We support efforts to prevent abuse of the program because it takes away resources intended for those who truly need them, critical during our current fiscal crisis. However, we are concerned that such a policy needs to be carefully crafted to avoid unintended consequences.

For its most needy beneficiaries, QUEST health insurance coverage is a lifeline to services and medication that controls chronic disease and avoiding costly in-patient hospital treatment. For beneficiaries for whom literacy, language, homelessness, mental illness and other barriers to accessing health care, an annual re-enrollment requirement could be enough to cut them off from care resulting in expensive emergency hospital services ultimately paid for by the State of Hawaii.

In 2006, DHS introduced a policy called positive enrollment whereby QUEST recipients are involuntarily dis-enrolled from their health care plan and Primary Care Provider (PCP). QUEST recipients were then required to select a plan and PCP, either their former plan and PCP or new ones. Those who do not select a health plan are automatically assigned one by DHS, which could be a different plan.

Positive enrollment resulted in confusion among QUEST beneficiaries and providers, delays in necessary medical care, disruption to case management, loss of contact between enrollees and their primary care providers and unnecessary expense for all involved. DHS has since discontinued positive enrollment. We would like to avoid this kind of disruption which put at risk some of Hawaii's most medically fragile and vulnerable residents.

Thank you for the opportunity to testify on this important matter.