

SB 2088

Measure Title: RELATING TO MEDICAID.

Report Title: Medicaid; DHS

Description: Requires DHS to notify the appropriate standing committees of the senate and house of any intended change to medicaid no later than sixty days prior implementation of the change. Authorizes the specified standing committees to hold hearings on any intended change to medicaid and prohibit or require certain actions by DHS that may affect Hawaii's medicaid program.

Companion:

Package: None

Current Referral: HMS, WAM

Introducer(s): GREEN



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

February 2, 2012

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2088 - RELATING TO MEDICAID**

Hearing: Thursday, February 2, 2012; 1:15 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of this bill is to require the Department of Human Services (DHS) to notify the Legislature of any proposed changes and state plan amendments to the Medicaid program. The Legislature may then hold hearings on the proposed changes and prohibit such changes or require other changes to the Medicaid program.

DEPARTMENT'S POSITION: The Department of Human Services respectfully opposes this bill. While the DHS strongly supports transparency and public input, this overly cumbersome, burdensome, and bureaucratic requirement will delay the implementation of any change to the program and have numerous unintended consequences, including loss of federal funding.

This bill will harm low-income individuals and health care providers. For example, this bill would have resulted in delaying by many months coverage of smoking cessation treatment in QUEST and QUEST Expanded Access and flu shots in the QUEST-ACE and QUEST-Net programs.

This bill will also delay paying hospitals disproportionate share hospital (DSH) payments negatively impacting their cash flow, delaying capitation payments to health plans upon rate changes meaning a disruption in payment to providers and potentially the provision of patient care as well, and loss of federal funds by not timely meeting federally mandated changes.

Programmatic changes require changes to Hawaii Administrative Rules. The rule-making process involves issuing a public notice, making proposed rules available for public review at least thirty days before a hearing for public comment is held, which provides an opportunity for public comment.

The part-time nature of the Legislature makes the notice requirements of this bill inefficient for the administration of the Medicaid program given the necessity to respond to new CMS regulations timely and the time already necessary to develop and get CMS approval for changes to the Medicaid program.

DHS will gladly work with the Legislature to increase input and transparency, but this bill poses far greater harm than benefit.

Thank you for the opportunity to testify on this bill.



SENATE COMMITTEE ON HUMAN SERVICES
Senator Suzanne Chun Oakland, Chair

Conference Room 016
February 2, 2012 at 1:15 p.m.

Supporting SB 2088: Relating to Medicaid

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 SB 2088, which increases transparency in the process of making decisions about Hawaii's Medicaid program and enhances the involvement of the Legislature.

In our democratic form of government the Legislature is responsible for setting public policy, and the executive branch is responsible for carrying it out. The Legislature holds hearings on bills as a means of creating a forum for discussion and receiving input from the public. The opportunity for the public to have a voice in the creation of public policy is a fundamental principle of democracy.

The Department of Human Services (DHS) operates the Medicaid program, expending more than a billion dollars annually for a State program that is second in size only to public education. Historically, the Legislature has had very little oversight of the Medicaid program. As a result, DHS effectively sets Medicaid policy. Significant changes have been made to Hawaii's Medicaid program with little authoritative role played by the Legislature or input given by the public.

For example, three years ago DHS decided to shift from a fee-for-service approach to a managed care approach to providing care to Medicaid's aged, blind, and disabled population. Many advocates and providers of health care opposed the change, and many felt that their voices were not heard by DHS. This bill would enable the Legislature to hold public hearings on similar matters, and all interested parties would be allowed to testify.

This bill would also enable the Legislature to consider other Medicaid issues, such as benefits packages and payments to health care providers. Advocates, providers, and other interested parties would be able to make proposals to the Legislature. Public hearings would enable all interested parties to testify. The Legislature, which is composed of members who are elected by the public, would be able to make decisions based on the many perspectives expressed by all interested parties.

Thank you for the opportunity to testify in support of SB 2088.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, January 29, 2012 7:53 PM
To: HMS Testimony
Cc: Brenda.Kosky@gmail.com
Subject: Testimony for SB2088 on 2/2/2012 1:15:00 PM

Testimony for HMS 2/2/2012 1:15:00 PM SB2088

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Brenda Kosky
Organization: Consumer Family & Youth Alliance
E-mail: Brenda.Kosky@gmail.com
Submitted on: 1/29/2012

Comments:

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, January 29, 2012 12:10 PM
To: HMS Testimony
Cc: robertscottwall@yahoo.com
Subject: Testimony for SB2088 on 2/2/2012 1:15:00 PM

Testimony for HMS 2/2/2012 1:15:00 PM SB2088

Conference room: 016
Testifier position: Support
Testifier will be present: Yes
Submitted by: Scott Wall
Organization: Individual
E-mail: robertscottwall@yahoo.com
Submitted on: 1/29/2012

Comments: