

SB 2227

Measure Title: RELATING TO HEALTH.

Report Title: Health Care; Funding for the Uninsured; Community Health Centers; Appropriation

Description: Appropriates moneys to community health centers for the provision of direct health care for the uninsured, including those who will be disenrolled from the medicaid QUEST program pending eligibility changes in April 2012.

Companion:

Package: None

Current Referral: HMS/HTH, WAM

Introducer(s): GREEN

NEIL ABERCROMBIE
GOVERNOR



PATRICIA McMANAMAN
DIRECTOR

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

February 6, 2012

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

Honorable Josh Green, M.D., Chair
Senate Committee on Health

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2227 - RELATING TO HEALTH**

Hearing: Monday, February 6, 2012; 3:00 p.m.
Conference Room 229, State Capitol

PURPOSE: The purpose of this bill is to appropriate moneys to community health centers for the provision of direct health care for the uninsured, including those who will be disenrolled from the Medicaid QUEST program pending eligibility changes in April 2012.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the role that the federally qualified health centers (FQHCs) play as an important safety-net provider, but respectfully opposes this bill as total coverage is expected to increase with the proposed benefit changes for the QUEST health plans.

The DHS has proposed to reduce eligibility in its QUEST-ACE and QUEST-NET programs from 200% of the federal poverty level (FPL) to 133% FPL. An estimated 3,000-3,500 individuals may lose eligibility as a result. Should this proposal be approved the Centers for Medicare and Medicaid, the DHS will provide information to

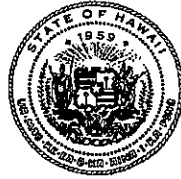
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those individuals who may lose their benefits about the availability of privately purchased individual health plans, coverage under the pre-paid health act, and the availability of services at FQHCs and other non-profit providers.

The DHS is also pursuing federal approval to increase the health care benefits in QUEST-ACE and QUEST-Net as follows: 1) from 12 outpatient visits to unlimited outpatient visits; 2) from 10 inpatient days to 30 for medical/surgical conditions plus an additional 30 days for behavioral health; and 3) from coverage for a few generic antibiotics to full prescription drug coverage. We believe the net effect of the eligibility reduction and benefit expansion will actually increase expenditures to the FQHC and other providers.

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

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

SENATE COMMITTEE ON HEALTH

S.B. 2227, RELATING TO HEALTH

Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.

Director of Health

February 6, 2012

1 **Department's Position:** The Department of Health supports the intent of this measure provided that its
2 enactment does not reduce or replace priorities within our Supplemental Budget Request..

3 **Fiscal Implications:** An unspecified appropriation under Section 2 of this measure for fiscal year 2013
4 for the provision of primary medical, dental, and behavioral health care for uninsured persons through
5 nonprofit community health centers.

6 **Purpose and Justification:** Act 316, HSL 2006 established a special fund for the deposit of cigarette
7 tax revenues to be used by the Department for the operations of Federally Qualified Health Centers
8 (FQHCs). In fiscal year 2012, the Department allocated \$4,501,345 in cigarette tax revenues via
9 contracts to thirteen FQHCs to provide comprehensive primary care services (medical, dental treatment,
10 and behavioral health care) for uninsured and/or underinsured individuals whose family income falls
11 with 250% of the federal poverty guidelines. Although the amounts being allocated by the Department
12 may be at a reasonable level for fiscal year 2012 based on need, the impact of changes to the Medicaid
13 program starting in April 2012 will likely result in an increase in the number of uninsured persons who
14 will seek medical care at the community health centers. Actual deposits into the special fund account
15 have been declining since fiscal year 2010 due to a freeze in the cigarette tax rate pursuant to Act 192,

Promoting Lifelong Health & Wellness

1 HSL 2010. Therefore, the Department does not anticipate that the special fund account will have
2 sufficient funds to compensate the community health centers for any significant increases in the number
3 of uninsured/underinsured individuals being served. Although the Department does recognize the
4 importance of community health centers in providing direct health care for the uninsured and supports
5 the concept of this bill, we are concerned about the cost implications generated by this proposal.

6 Thank you for this opportunity to testify on this measure.

HAWAII ISLAND COMMUNITY DEVELOPMENT CORPORATION

100 PAUAAHI STREET, SUITE 204 • HILO, HAWAII 96720

COMMITTEE ON HUMAN SERVICES

Senator Suzanne Chun Oakland, Chair

Senator Les Ihara, Jr., Vice Chair

COMMITTEE ON HEALTH

Senator Josh Green, M.D., Chair

Senator Clarence K. Nishihara, Vice Chair

DATE: Monday, February 06, 2012

TIME: 3:00 pm

PLACE: Conference Room 229

State Capitol

415 South Beretania Street

Testimony in Support of SB2217 and 22319 Relating to the Homeless

“The purpose of this Act is to better assist individuals facing or experiencing homelessness by funding various homeless and housing programs.”

We support the proposed appropriation of \$15 million to the Rental Housing Trust Fund. In the past we have used the Trust Fund to provide gap financing for several senior housing projects here on the Big Island, As the most flexible of all funding sources, the Rental Housing Trust Fund plays a critical role in making affordable housing projects financially feasible.

Unfortunately, the low level of funding current available in the Trust Fund is limiting its usefulness, therefore additional appropriations of funds would be most beneficial and would be readily used.

If you have any questions please contact me at ph. 969-1158x105.

Thank you for your consideration.

Keith Kato
Executive Director

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-EQUAL OPPORTUNITY EMPLOYER-

ADMINISTRATION: (808) 969-1158
FAX (808) 935-6916



WAIKIKI HEALTH CENTER

REACHING OUT FROM THE HEART OF WAIKIKI.

TO: The Honorable Senator Suzanne Chun Oakland, Chair Committee on Human Services
The Honorable Senator Josh Green, MD, Chair Committee on Health

FROM: Sheila Beckham, RD, MPH
CEO
Waikiki Health Center

DATE: February 3, 2012

RE: SB2227 Relating to Health

On behalf of Waikiki Health Center I encourage you to provide adequate funding to enable Hawaii's federally qualified community health centers, to meet the growing healthcare needs of those individuals who are uninsured.

At Waikiki Health Center, the percent of visits from uninsured patients has increased from 24% in 2010 to 36% of all visits in 2011. Coupled with the narrower Medicaid eligibility requirements, it is estimated that WHC will see a reduction in patient service revenue of between \$230,000 and \$500,000 during FY2012. If uninsured funding is further reduced, WHC will realize far greater losses and will struggle to fulfill the federally mandated mission of "providing services regardless of an individual's ability to pay".

We understand that there are many demands on you from various segments of the community, but we strongly urge your support in providing funding for those without insurance.

Thank you for the opportunity to provide this testimony.

TESTIMONY IN SUPPORT OF SB 2227: RELATING TO HEALTH

**SUBMITTED TO: COMMITTEE ON HUMAN SERVICES
AND
COMMITTEE ON HEALTH**

HEARING: February 6, 2012, 3:00 am, Room 229

SUBMITTED BY: Richard Bettini, President and Chief Executive Officer

Waianae Coast Comprehensive Health Center

In 2010, the Waianae Coast Comprehensive Health Center provided services to 28,912 individuals. Despite a proactive approach in supporting uninsured patients by assisting them in completing the QUEST application process, there has remained a constant uninsured population of 13% annually over the past 5 years.

Besides being an economically distressed community, the Waianae Coast has a higher rate of residents who have, or are at-risk for, serious health conditions. According to the 2009 Department of Health Primary Care Needs Assessment Databook, that ranks 28 service areas throughout the state, the Waianae Coast ranks highest on the island of Oahu for households receiving financial aid and food stamps; those at less than 100% and 200% of the Federal Poverty Level; unemployment rate; infant mortality, and teen births.

During the past 40 years, the Health Center has evolved a unique model of health care delivery that addresses not only an individual's health care needs, but that of the family and the community through a primary health care home model. The Health Center is a safety net for uninsured, medically underserved patients.

Uninsured funding is extremely important to the Waianae community and for those who are uninsured. Please support this bill.

Mahalo.

LĀNA`I COMMUNITY HEALTH CENTER

P. O. Box 630142
Lāna`i City, HI 96763-0142



Phone: 808-565-6919 x114
Fax: 808-565-9111
dshaw@lanaicommunityhealthcenter.org

The Community is our Patient -- men, women, children, uninsured, insured!

February 3, 2012

Senate Committee on Human Services

The Hon. Suzanne Chun Oakland, Chair
The Hon. Les Ihara, Jr., Vice Chair

Senate Committee on Health

The Hon. Josh Green, Chair
The Hon. Clarence K. Nishihara, Vice Chair

Testimony in Support of Senate Bill 2227
Monday, February 6, 2012, 3:00 p.m., Room 229

Relating to Health

Submitted by Diana M. V. Shaw, PhD, MPH, MBA, FACMPE, Executive Director

The Lana`i Community Health Center (LCHC) provides services to residents on Lana`i — the only FQHC on island, and the only provider serving the uninsured on Lana`i — **strongly supports Senate Bill 2227** which provides funding for uninsured patients at community health centers. This bill recognizes the priority of health and living well in our communities.

Approximately 40% (over 1000) encounters at LCHC during 2011 were for uninsured patients. We anticipate an increase in uninsured this year as Medicaid eligibility reductions are implemented. It is becoming increasingly difficult for our organization to continue to provide services for this growing number of patients and strongly urge you to pass this bill and thank you for the opportunity to testify.

E Ola nō Lāna`i

LIFE, HEALTH, and WELL-BEING FOR LĀNA`I



HPCA

HAWAII PRIMARY CARE ASSOCIATION

Senate Committee on Human Services

The Hon. Suzanne Chun Oakland, Chair

The Hon. Les Ihara, Jr., Vice Chair

Senate Committee on Health

The Hon. Josh Green, Chair

The Hon. Clarence K. Nishihara, Vice Chair

Testimony in Support of Senate Bill 2227

Relating to Health

Submitted by Robert Hirokawa, Chief Executive Officer

Monday, February 6, 2012, 3:00 p.m., Room 229

The Hawai'i Primary Care Association, which represents community health centers in Hawai'i, **strongly supports Senate Bill 2227**, which provides funding for uninsured patients at community health centers. This bill recognizes the priority of health and living well in our communities.

Approximately 25% (32,051) of the patients at community health centers are uninsured. We anticipate an increase in uninsured this year as Medicaid eligibility reductions are implemented. Attached are trend data and projections for 2012. We estimate the financial cost to community health centers of caring for the uninsured is \$10.3 million dollars, and request that same amount be inserted into Senate Bill 2227.

We urge you to pass this bill and thank you for the opportunity to testify.

HO'OLA LAHUI HAWAI'I

P.O. Box 3990; Līhu'e, Hawai'i
Phone: 808.240.0100 Fax: 808.246.9551

COMMITTEE ON HEALTH

Sen. Josh Green, Chair

Sen. Clarence Nishihara, Vice Chair

Testimony in Support of SB 2227 with Reservations Relating to Health

Ho'ola Lahui Hawaii strongly supports the intent of this bill to bring additional funding to the uninsured patients for outpatient care, especially for dental care.

The bill, however, still does not address the fundamental and underlying need for this increase which is the decrease in Medicaid Eligibility from 200% of the federal poverty level to 133% and a cap on the number of visits a patient can receive in a given period. This decrease leaves those individuals (over 5,000) without any coverage for prescription drugs, inpatient care, diagnostic services, and other support services currently afforded those same individuals on Medicaid.

Further, the funding to support the uninsured patients will not be matched by federal funds.

We strongly urge the committee to amend or find another vehicle to support the continuance of the current Medicaid eligibility criteria of 200% of the federal poverty level and maintain the integrity of the current program.

Respectfully Requested,
David Peters Chief Executive Officer



SENATE COMMITTEE ON HUMAN SERVICES
Senator Suzanne Chun Oakland, Chair

SENATE COMMITTEE ON HEALTH
Senator Josh Green, M.D., Chair

Conference Room 229
February 6, 2012 at 3:00 p.m.

Supporting SB 2227: Relating to Health

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 2227, which appropriates funds to provide health care through nonprofit community health centers to people who are uninsured.

Hawaii's nonprofit community health centers operate throughout the state, constituting a vital component of Hawaii's health care system. These health centers serve more than 125,000 of the most needy people in the state, many of whom do not have health care insurance and would otherwise not have access to health care.

The uninsured population in Hawaii has increased in recent years due to the recession and its aftermath. Ten years ago the percentage of uninsured in Hawaii was in the low single digits, and Hawaii was proud of having the lowest proportion of uninsured in the nation. At that time, Hawaii was justifiably known as the "Health State." Since then there has been a troublesome increase in the numbers of uninsured people. Today the uninsured population stands at about 10%, and a number of other states now have smaller proportions of uninsured people than Hawaii.

Hawaii's nonprofit community health centers have proven to be effective in providing comprehensive primary care services to residents of poor and disadvantaged communities. In doing so, these health centers help to keep other components of the health care system viable by, for example, reducing the numbers of patients who go to emergency departments in hospitals and reducing the impact of uncompensated care on other providers. Hawaii needs our community health centers to keep its health care system financially viable.

For the foregoing reasons, the Healthcare Association of Hawaii supports SB 2227.

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 04, 2012 4:40 PM
To: HMS Testimony
Cc: Brenda.Kosky@gmail.com
Subject: Testimony for SB2227 on 2/6/2012 3:00:00 PM

Categories: Purple Category

Testimony for HMS/HTH 2/6/2012 3:00:00 PM SB2227

Conference room: 229
Testifier position: Support
Testifier will be present: No
Submitted by: Brenda Kosky
Organization: Individual
E-mail: Brenda.Kosky@gmail.com
Submitted on: 2/4/2012

Comments:
Strongly Support!

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 04, 2012 9:55 AM
To: HMS Testimony
Cc: robertscottwall@yahoo.com
Subject: Testimony for SB2227 on 2/6/2012 3:00:00 PM

Categories: Purple Category

Testimony for HMS/HTH 2/6/2012 3:00:00 PM SB2227

Conference room: 229
Testifier position: Support
Testifier will be present: Yes
Submitted by: Scott Wall
Organization: Individual
E-mail: robertscottwall@yahoo.com
Submitted on: 2/4/2012

Comments: