

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

LATE Testimony

March 12, 2012

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

House Committee on Human Services

Re: SB 2798, SD1 – Relating to Insurer Requirements

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

The Hawaii Medical Association (HMSA) appreciates the opportunity to comment on SB 2798, SD1 which would require plans to submit quarterly reports on our members to the Department of Human Services (DHS).

We truly understand the need to ensure that government-funded health care services are only being provided to those in need. We also understand that there are instances in which a QUEST member may be able to receive coverage under both a QUEST plan and through private coverage. Under these dual coverage situations, the commercial plan serves as the primary payer and should cover most of the health care services, and the QUEST plan serves as the secondary payer. These eligibility determinations are made by the Med-QUEST division and not the contracted plans. Given the need to ensure appropriate reimbursements from Med-QUEST, we provide DHS reports on our claims data for our dual eligible members which may be used to analyze the appropriateness of reimbursements afforded us. As we did last session, we would support legislation to formalize that process in statute.

Ultimately, we also believe that part of the issue around eligibility is the antiquated eligibility system currently used by Med-QUEST. With the support DHS has received from the Legislature, DHS is able to leverage federal matching funds to update these systems. Once this new system is in place it will be able to work with the Hawaii Health Information Exchange to access member information in a secured environment.

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to comment on this legislation. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "JD".

Jennifer Diesman
Vice President
Government Relations



Hawaii Association of Health Plans

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

House Committee on Human Services

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Re: SB 2798 SD1 – Relating to Insurer Requirements

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

My name is Richard Jackson and I am chair of the Public Policy Committee of the Hawaii Association of Health Plans (HAHP). HAHP is a non-profit organization consisting of eight (8) member organizations: AlohaCare, HMAA, HMSA, HWMG, Kaiser Permanente, MDX Hawai'i, UHA, and UnitedHealthcare. Our mission is to promote initiatives aimed at improving the overall health of Hawaii. HAHP is also active participants in the legislative process. Before providing any testimony, all HAHP member organizations must be in unanimous agreement of the statement or position.

We appreciate the opportunity to provide testimony in opposition to SB 2798 SD1, which would require plans to submit quarterly reports on our enrolled commercial members to the Department of Human Services (DHS). While we understand the need of the DHS to determine the eligibility of those receiving benefits, we do have concerns with the legislation and strongly believe that this type of submission would best be handled if the data requested were sent to the Hawaii Health Information Exchange (HHIE) and made available through HHIE to DHS. By obtaining information through HHIE, DHS would need to interface with only one entity versus the five local commercial plans and four mainland insurers doing business in Hawaii. Also, HHIE can be used by the plans as a central repository to obtain "coordination of benefits" (COB) information, a functionality not currently available in Hawaii which would lower both payer and provider administrative costs.

Currently, eligibility determinations for QUEST members who receive dual coverage under both a private and QUEST plan are made by the Med-QUEST division in the DHS. We understand that the eligibility determination process is arduous, and believe that an update in the DHS determinations system would help to streamline the process without requiring health insurers to provide QUEST-eligible member lists. DHS is able to utilize federal funds to update these determinations systems, and in turn will be able to work with HHIE to make sure that member information is available and accessible in a secure environment.

We thank you for the opportunity to voice our concerns over SB 2798 SD1.

Sincerely,

Richard Jackson
Chair, Public Policy Committee