

# SB 2808

Measure Title: MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES FOR HEALTH CARE PAYMENTS.

Report Title: Health Care Payments (HMS 401); Emergency Appropriation

Description: Makes an emergency appropriation from the general revenues of the State of Hawaii for fiscal year 2011-2012 to address the budget shortfall in for the health care payments program (HMS 401) in the Department of Human Services. Effective upon approval.

Companion: HB2546

Package: Gov

Current Referral: HMS, WAM

Introducer(s): TSUTSUI (BR)



**HAWAII MEDICAL ASSOCIATION**

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DATE: Tuesday, January 31, 2012

TIME: 1:10 pm

PLACE: Conference Room 016

To: COMMITTEE ON HUMAN SERVICES  
Senator Suzanne Chun Oakland, Chair  
Senator Les Ihara, Jr., Vice Chair

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: SB 2808 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.**

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**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.



**HPCA**

HAWAII PRIMARY CARE ASSOCIATION

**Senate Committee on Human Services**  
The Hon. Suzanne Chun Oakland, Chair  
The Hon. Les Ihara, Jr., Vice Chair

**Testimony in Support of Senate Bill 2808**  
**Making an Emergency Appropriation to the Department of Human Services for Health Care**  
**Payments**

**Submitted by Robert Hirokawa, Chief Executive Officer**  
**Tuesday, January 31, 2012, 1:10 p.m., Room 016**

The Hawai'i Primary Care Association, which represents community health centers in Hawai'i, **supports Senate Bill 2808**, which provides funding to address the Medicaid shortfall in the current fiscal year.

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