

SCR 153/SR 90

Measure Title: REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO IMPLEMENT A DEMONSTRATION PROJECT TO INTEGRATE HEALTHCARE FOR INDIVIDUALS ENROLLED IN BOTH MEDICAID AND MEDICARE.

Report Title: Department of Human Services; Demonstration Project; Healthcare Integration; Medicaid and Medicare

Description:

Companion:

Package: None

Current Referral: HMS, WAM

Introducer(s): CHUN OAKLAND

NEIL ABERCROMBIE
GOVERNOR



PATRICIA MCMANAMAN
DIRECTOR

BARBARA A. YAMASHITA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

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

March 27, 2012

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

FROM: Patricia McManaman, Director

SUBJECT: **S.C.R. 153/S.R. 90 – REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO IMPLEMENT A DEMONSTRATION PROJECT TO INTEGRATE HEALTHCARE FOR INDIVIDUALS ENROLLED IN BOTH MEDICAID AND MEDICARE**

Hearing: Tuesday, March 27, 2012; 10:00 a.m.
Conference Room 224, State Capitol

PURPOSE: The purpose of this Resolution is to request the Department of Human Services to implement a demonstration project to integrate care for individuals enrolled in both Medicaid and Medicare in order to improve patient-centeredness and quality of care, help reduce provider administrative burden, and generate savings to the State and Federal governments.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this resolution. The Department has already begun working with the Centers for Medicare and Medicaid Services (CMS) on a demonstration dual integration project. It is anticipated to be implemented within the next year.

Thank you for the opportunity to testify on this bill.



March 27, 2012
10:00 am
Conference Room 224

To: The Honorable Sen. Suzanne Chun Oakland, Chair
The Honorable Sen. Les Ihara, Vice Chair
Senate Committee on Human Services

From: Paula Arcena, Director of Public Policy
Robert Toyofuku, Government Affairs

Re: SCR 153 / SR 90 Requesting the Department of Human Services to Implement a Demonstration Project to Integrate Healthcare for Individuals Enrolled in Both Medicaid and Medicare

Thank you for the opportunity to testify.

AlohaCare supports the intent of this measure and has a number concerns.

We support the resolution's intent to integrate healthcare for individuals who are eligible for both Medicaid and Medicare. We believe that integrating the management of Medicaid and Medicare health services has the potential to decrease costs and increase quality by closing coverage gaps and minimizing fragmented care. We are aware that DHS has plans for such a project underway and we commend the Department for being proactive in responding to the U.S. Center for Medicaid and Medicare Services call for states to participate in their nationwide effort.

We are strongly concerned, however, that without careful implementation, DHS' integration of Medicare and Medicaid will have an unanticipated negative impact on AlohaCare's Medicare Special Needs Plan (SNP).

Currently, there are only three Medicare SNP plans operating in Hawaii. AlohaCare is the only Medicare SNP plan that is not also a QUEST Expanded Access (QExA) plan. We have hundreds members with dual eligibility who have chosen AlohaCare as their Medicare SNP plan while receiving Medicaid services from competing QExA plans. We have care navigators assigned to each of our SNP members who work hard to ensure smooth collaboration and service integration between Medicaid and Medicare services on the member's behalf. Thus, the state and federal government benefit from AlohaCare's close relationship with our members.

The integration of dual eligible enrollees represents approximately \$100-\$150 million in additional annual revenue for QExA plans. This makes AlohaCare members a potential

target because the QExA plans benefit from enrolling as many beneficiaries as possible into their dual program.

In our proposed amendment, we are asking the legislature to resolve DHS and its contracted plans to target traditional fee-for-service Medicare members for the integration project and exclude our members. We also believe the project would ideally take place in conjunction with the anticipated re-procurement of the QUEST Expanded Access contract.

The benefit of this policy is twofold: 1) it would focus integration efforts on the beneficiaries who would benefit most from integration because it moves them from a fee-for-service program to a managed care program where their care is coordinated and managed; and 2) it prevents the negative impact of the demonstration project on AlohaCare and our members.

The integration effort represents a major policy change in the way Medicaid and Medicare health services are administered and care is delivered. In combination with the many other changes occurring in healthcare, dual eligible integration will have a significant impact on the competitive market place, including the next Quest Expanded Access contract bid, consumers and providers. We believe it is appropriate that the legislature is informed of these changes and potential impacts in order to make informed public policy decisions. Our proposed amendment addresses this issue as well.

AlohaCare is a non-profit, Hawaii based health plan founded in 1994 by Hawaii's community health centers to serve low-income families and medically vulnerable members of our community through government sponsored health insurance programs. We serve beneficiaries of Medicaid and Medicare on all islands.

Thank you for this opportunity to testify.

8 BE IT FURTHER RESOLVED that the Department of
9 Human Services is requested to optimize participation in the
10 integration demonstration while preserving consumer choice; and

11 BE IT FURTHER RESOLVED that the Department of
12 Human Services will mitigate the impact of the demonstration
13 project on competing Centers-approved dual eligible special needs
14 plans that are not also a QUEST Expanded Access Medicaid
15 managed care health plan by ensuring solely traditional Medicare
16 members will be enrolled in the integration demonstration; and
17 ideally the project shall take place in conjunction with the
18 anticipated re-procurement of the QUEST Expanded Access
19 contract.

20 BE IT FURTHER RESOLVED that Director of Human
21 Services is requested to submit an informative [status] report to the
22 Legislature on the Department's implementation plan for the
23 integration demonstration no later than twenty days before the
24 convening of the Regular Session of 2013 detailing it's plan and
25 Memorandum of Agreement with the United States Department of
26 Health and Human Services, Centers for Medicare and Medicaid
27 Services, including but not limited to:

- 28 • Public notice and meaningful consumer and other
29 stakeholder engagement;
- 30 • Enrollment targets and related outreach initiatives;
- 31 • Integrated care management across primary, acute,
32 behavioral health and long-term services and
33 supports;
- 34 • CMS Office of the Actuary certifiable estimates of
35 expected savings;
- 36 • Integrated beneficiary level claims data for
37 program management and evaluation;
- 38 • Adequate access to networks of medical and
39 supportive services providers;
- 40 • Monitoring and oversight infrastructure;
- 41 • Quality measurement infrastructure; and
- 42 • Implementation timeline; and
- 43 • Necessary proposed legislation.

44 BE IT FURTHER RESOLVED the Director of Human
45 Services submit a subsequent detailed report of findings,
46 challenges, and recommendations, including necessary proposed
47 legislation, no later than twenty days before the convening of the
48 Regular Session of 2014; and

49 BE IT FURTHER RESOLVED that certified copies of this
50 Concurrent Resolution be transmitted to the Governor, Director of
51 Health, and Director of Human Services.

From: mailinglist@capitol.hawaii.gov
To: [HMS Testimony](#)
Cc: robertscottwall@yahoo.com
Subject: Testimony for SCR153 on 3/27/2012 10:00:00 AM
Date: Sunday, March 25, 2012 2:15:19 PM

Testimony for HMS 3/27/2012 10:00:00 AM SCR153

Conference room: 224
Testifier position: Support
Testifier will be present: No
Submitted by: Scott Wall
Organization: United Self Help
E-mail: robertscottwall@yahoo.com
Submitted on: 3/25/2012

Comments:

From: mailinglist@capitol.hawaii.gov
To: [HMS Testimony](#)
Cc: wailua@aya.yale.edu
Subject: Testimony for SCR153 on 3/27/2012 10:00:00 AM
Date: Thursday, March 22, 2012 6:11:25 PM

Testimony for HMS 3/27/2012 10:00:00 AM SCR153

Conference room: 224
Testifier position: Support
Testifier will be present: No
Submitted by: Wailua Brandman APRN-Rx BC FAANP
Organization: Individual
E-mail: wailua@aya.yale.edu
Submitted on: 3/22/2012

Comments: