

January 31, 2013  
1:15 pm  
Conference Room 016

To: The Honorable Senator Suzanne Chun Oakland, Chair  
The Honorable Senator Josh Green, M.D., Vice Chair  
Senate Committee on Human Services

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

Re: SB323 Relating to Health Insurance

Thank you for the opportunity to testify.

AlohaCare supports the intent of SB323 to reduce fraud, waste and abuse in Hawaii's Medicaid and the Children's Health (CHIP) Insurance Programs.

However, we oppose the proposal that DHS engage a third-party to implement cost-savings programs and technologies in the Medicaid and CHIP.

AlohaCare has a system and processes in place to carry out this function. We are constantly seeking ways to improve our ability to reduce fraud, waste and abuse.

The introduction of a third-party by DHS to carry out such a program would have serious impact on our provider network, members and existing systems.

Successful implementation of such a program requires intimate knowledge of and sensitivity to our provider network and membership to avoid creating a disincentive for accepting Medicaid patients.

We would welcome the opportunity to work directly with DHS to develop criteria for fraud, waste and abuse reduction to carryout improvements that reduce fraud, waste and abuse.

Thank you for this opportunity to testify.