

SB 920

Measure Title:	RELATING TO MEDICAID.
Report Title:	Medicaid; Reimbursement Rate; Appropriation (\$)
Description:	Increases the medicaid reimbursement rate paid by the State to equal the medicare reimbursement rate for primary and acute care.
Companion:	
Package:	None
Current Referral:	HSH, WAM
Introducer(s):	CHUN OAKLAND, BAKER, Green, Riviere



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

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

February 3, 2015

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

FROM: Rachael Wong, DrPH, Director

SUBJECT: **S.B. 920 - RELATING TO MEDICAID**

Hearing: Thursday, February 5, 2015; 1:20 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of the bill is to increase the Medicaid reimbursement rates equal to Medicare rates for primary and acute care.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the overall concept of this bill, but we are concerned about the cost implications generated by this proposal as they may replace or adversely impact priorities indicated in the Executive Budget. The DHS provides the following comments.

Increasing reimbursement to Medicaid providers helps sustain the Medicaid program. Medicaid has typically reimbursed at around 60% of Medicare. Under the Affordable Care Act, reimbursement to primary care providers (PCPs) increased to 100% of Medicare, and the increase was entirely federally funded for two years. Eligible providers were family physicians, internists, or pediatricians, and sub-specialties of these specialties. The enhanced payment is available for primary care, specialty care, emergency care, and inpatient services. Excluded

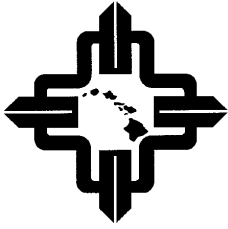
providers include psychiatrists, obstetrician-gynecologists, neurologists, and advance practice registered nurses. Behavioral health and prenatal services are also excluded.

Included in the Governor's budget is \$37 million, of which approximately \$17.5 million are general funds, to continue the increased reimbursement for the same services, but to expand to all providers who provide those services, and to include services provided to children covered under the State Children's Health Insurance Program (SCHIP).

Expanding to include additional services, in particular behavioral health and prenatal care services, without additional funding would reduce the percent of Medicare at which the Medicaid payments can be made to 83.7%.

Reimbursing at 100% of Medicare for all would require an additional \$13.6 million in general funds. The current PCP enhanced reimbursement program includes increased payment for adult inpatient and emergency room services. Excluding these services would decrease funding requirements by \$9.5 million in general funds.

Thank you for the opportunity to testify on this bill.



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Quality Healthcare For All"

**Senate Committee on Human Services and Housing
Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair**

February 5, 2015
Conference Room 016
1:20 p.m.
Hawaii State Capitol

**Testimony Supporting Senate Bill 920, Relating To Medicaid.
Increases the medicaid reimbursement rate paid by the State to equal the
medicare reimbursement rate for primary and acute care.**

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony in support of SB 920 that increases the medicaid reimbursement rate paid by the State to equal the medicare reimbursement rate for primary and acute care.

HHSC operates over 500 acute care beds. Like other acute care hospitals, HHSC has suffered from inadequate Medicaid reimbursements for years. In fact, a study commissioned by the Healthcare Association of Hawaii showed that the Hawaii Medicaid program pays only 77% of the cost of providing care in the State of Hawaii. In fiscal year 2014, HHSC was able to certify approximately \$36.6 million in losses from providing acute care services to Medicaid/QUEST patients. Passage of this bill would certainly help in reducing the cost to the State for funding HHSC's operating losses.

Thank you for the opportunity to testify before this committee. We would respectfully recommend the Committee's support of this measure, as long as the increase in State support could be accommodated within the State's general fund budget.



HAWAII MEDICAL ASSOCIATION

1360 S. Beretania Street, Suite 200, Honolulu, Hawaii 96814
Phone (808) 536-7702 Fax (808) 528-2376 www.hmaonline.net

TO:

COMMITTEE ON HUMAN SERVICES AND HOUSING

Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair

DATE: Thursday, February 05, 2015
TIME: 1:20pm
PLACE: Conference Room 016

FROM: Hawaii Medical Association
Dr. Christopher Flanders, DO, Executive Director
Lauren Zirbel, Community and Government Relations

Re: SB 920 RELATING TO MEDICAID

Position: SUPPORT WITH AMENDMENTS

This measure serves to increase the Medicaid reimbursement rate paid by the State to equal the Medicare reimbursement rate for primary and acute care.

Nationally, the Medicaid/Medicare parity resulted in increased accessibility to primary care by 14% over the last two years.

We would ask that this measure be amended to include psychiatric care, as well as obstetrics.

Many young women utilize their Obstetrician as their Primary Care Provider so we feel it is very appropriate to include them in the Medicare reimbursement bump for primary care.

Thank you for the opportunity to testify.

Officers

*President - Robert Sloan, MD, President-Elect – Scott McCaffrey, MD
Immediate Past President – Walton Shim, MD, Secretary - Thomas Kosasa, MD
Treasurer – Brandon Lee, MD Executive Director – Christopher Flanders, DO*



THE QUEEN'S HEALTH SYSTEMS

**SB 920, Relating to Medicaid
Senate Committee on Human Services and Housing
Hearing—February 5, 2015 at 1:20 PM**

Dear Chairwoman Chun Oakland and Members of the Senate Committee on Human Services and Housing:

My name is Paula Yoshioka and I am a Senior Vice President at The Queens' Health Systems. I would like to offer my support for SB 920, relating to Medicaid.

A central tenet of the *Affordable Care Act* was to expand access to health care services to millions of Americans. One way that the law did this was to expand eligibility for the Medicaid program for low-income adults. With a huge influx of new patients expected, the federal government provided enhanced payments to primary care providers to increase the probability that these patients would be accepted.

Providing enhanced payments has, by many measures, been successful in helping millions of Americans gain access to necessary health services. According to a recent study in the *New England Journal of Medicine*, Medicaid enrollees were able to secure appointments with primary care providers at significantly higher rates than before the enhanced payment went into effect.

Hawaii has long been a leader in providing care for our most underserved. The legislature should continue that tradition and invest in helping low-income residents get access to preventive services by continuing the enhanced Medicaid payment. I would ask that you strongly support this bill.

Thank you for your time and consideration of this matter.

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.

From: mailinglist@capitol.hawaii.gov
To: [HSH Testimony](#)
Cc: bbreis@me.com
Subject: Submitted testimony for SB920 on Feb 5, 2015 13:20PM
Date: Tuesday, February 03, 2015 8:16:03 PM

SB920

Submitted on: 2/3/2015

Testimony for HSH on Feb 5, 2015 13:20PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Brijit Reis	Individual	Support	No

Comments: I am a pediatrician and because of the increased reimbursement I have been able to provide an increased number of medicaid patients with quality healthcare in a patient centered medical home. I have added a new provider and have opened an office in a high needs area. We provide same day access and are open every day of the week. We have an ER utilization rate with these patients that is less than half of the average in the state. I hope to continue to serve these patients. This bill would allow us to continue to take ALL new medicaid patients to our practice.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov