



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 15, 2017

TO: The Honorable Representative Dee Morikawa, Chair
House Committee on Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 692 – RELATING TO CASE MANAGERS**

Hearing: February 15, 2017, 9:00 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) offers comments.

PURPOSE: The purpose of the bill is to restore reimbursements for case managers who provide Medicaid case management services to levels that immediately preceded the compensation reduction in 2008.

The Department appreciates the intent of the bill to increase reimbursements for important case management services on behalf of Medicaid beneficiaries. The bill states “reimbursement for case management services provided by a case manager”; however, this does not reflect how these services are provided. Currently, case management services are provided by case management agencies that employ or contract with case managers to arrange for placement in home and community based placements, or in nursing facilities. The agencies have contracts with Medicaid managed care plans, and are not directly contracted with, nor providing services for Med-QUEST, Hawaii’s Medicaid agency. Health plans also employ their own service coordinators and case managers to do some of this work. We respectfully suggest that the Legislative intent be clarified regarding which providers are intended to receive the increase.

Additionally, we clarify that Med-QUEST does not negotiate rates for providers, except for some unique situations such as federally mandated rates. Since each health plan negotiates the rates with the case management agencies, there will likely be variation in what each plan pays, as well as variation as to what a specific case management agency may be being paid. The rate that was paid in 2008 (and 2009 when health plans began to do the work that Med-QUEST had been directly doing) was \$16.25 daily rate. In discussing with the case management agencies, we have been told payments are in the \$13.30 to \$13.58 range.

Finally, any increase in the rates would likely need approval from the federal regulatory agency, the Centers for Medicare and Medicaid Services; a general fund appropriation would also be needed for the increase in the rates.

Thank you for the opportunity to testify on this bill.

todd2 - Chloe

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 13, 2017 7:18 AM
To: HUS testimony
Cc: tampaltin@gmail.com
Subject: *Submitted testimony for HB692 on Feb 15, 2017 09:00AM*

HB692

Submitted on: 2/13/2017

Testimony for HUS on Feb 15, 2017 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Tamara Paltin	Individual	Support	No

Comments:

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.

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Aloha Chair Morikawa, Vice Chair Todd and committee members.

I am a senior citizen and a resident of House District 19 and Senate District 9. I am a member of AARP, Kokua Council, the Hawaii Alliance of Retired Americans and the Legislative Committee of PABEA.

I'm testifying in strong opposition to HB692, relating to potential increases in the reimbursement rates of case managers.

While the duties of case managers are spelled out in HRS 17-1454-2, it is not clear how case managers show that they have carried out their tasks. It has been reported to me that some case managers do not even see the residents of ARCH's, Assisted Living facilities, community care foster homes, etc. to whom they are assigned. Instead they rely on staff to determine how the residents are doing. If Medicaid is being billed \$500 monthly for this service, there should be some controls.

Please oppose HB692 until such time that that the efficacy of case management services is demonstrated.

Thank you for the opportunity to testify.

Barbara J. Service

Date: February 12, 2017

To: Representative Dee Morikawa, Chair
Representative Chris Todd, Vice Chair
Committee on Human Services

From: Sarah Suzuki, RN, MBA, CCM
Managing Partner, Blue Water Resources, LLC
94-408 Akoki Street Suite 205
Waipahu, HI 96797
Office: 808-678-3661
Fax: 808-678-3662

Hearing Date: Wednesday, February 15, 2017 (9:00 AM, Room 329)

Re: HB 692 Relating to Case Managers

My name is Sarah Suzuki. I am a registered nurse with over 20 years experience. I have also been a community case manager for over 14 years. I am the current President of the Case Management Council. The Case Management Council (CMC) is a group of Agencies who provide Case Management Services to the aged, blind, and disabled population. We are in strong support of HB 692. The specifics are below:

- In June 2009, Ms. Patti Bazin and Dr. Kenneth Fink met with the Case Management Agencies to paint a grim landscape about the State funds. What happened?

“State tax revenue, most of which is GET, fell sharply in 2008 and continued plunging in 2009 until the State was only collecting 4 dollars for every 5 it used to get. At that time of the crisis, it was being dubbed as the worst budget crisis since Statehood.” (Hawaii Star Advertiser)

- The DHS at that time had an 84 million dollar shortfall. The Agencies were told that the financial crisis would affect all healthcare providers. The Agencies were told that the DHS might ask providers to take a voluntary rate cut.
- The DHS plan was to delay payments to the Health Plans for 3-4 months, which would translate to late payments to providers. Various healthcare provider groups came forward and expressed their concern. The solution that DHS came up with was to do a temporary 3% rate cut across the board for all healthcare providers.
- After many months, the State recovered and the 3% cut was restored for many providers. Some providers were even retroactively paid for the 3% cut. The Case Management Agencies were excluded from the 3% rate restoration.

- The Case Management Agencies have repeatedly asked the Health Plans to restore the 3%. The Health Plan's response has been to "talk to DHS." The Case Management Agencies have also repeatedly asked the DHS about restoring the 3%. The response has always been "talk to the Health Plans." This "back and forth" exercise has gone on for years and has proven to be futile.
- In the meantime, the Case Management Agencies have seen a huge increase in workload. The reimbursement rate has remained unchanged since 2010. There is a constant push from people we work with to do more for less.

We turn to the legislatures to ask for help to make this right by restoring the 3% that was taken from the Case Management Agencies over 6 years ago. Thank you for the opportunity to provide this testimony.



LATE

TO: COMMITTEE ON HUMAN SERVICES

Chair: Representative Dee Morikawa
Vice Chair: Representative Chris Todd
Committee Members

FROM: Agnes Reyes
President, Case Management Professionals, Inc.
94-235 Hanawai Circle, Suite 1B
Waipahu,, HI 96797
Tel: (808) 689-1937 ext 112
Fax: (808) 689-1933
agnes@cmp-hi.com

DATE: Wednesday, February 15, 2017 (9:00 AM, Room 329)

RE: HB 692 (Relating to Health)

TESTIMONY: **IN SUPPORT OF HB 692**

Good Morning ! My name is Agnes Reyes, I am a registered nurse with a combined clinical and case management experience of 33 years. I am the President of Case Management Professionals, Inc. a pioneer case management agency in the State of Hawaii serving the islands of Oahu, Kauai, Big Island, Maui and Molokai.

I am in full support of HB 692. As a pioneer case management agency since 1999, Case Management Professionals, Inc. together with the other case management agencies from 1999-2005 assisted in the recruitment, training and certification and recertification of the first hundreds of Community Care Foster Family Homes that helped build the infrastructure of the home and community based care industry for our kupunas in the State of Hawaii.

Case management service is a vital component of the care of patients who are at nursing home level of care but reside in the community care foster family home. The case manager who is either a registered or a licensed social worker provides the professional aspects of service planning, coordination and monitoring of the care of clients in a foster home setting . They provide the much needed nursing delegation of skilled nursing tasks that allow care to the primary and secondary caregivers who are mostly unlicensed assistive personnel such as nurses' aide, home health aides.

Ironically, eighteen years after, the reimbursement of case management services are 30% less than when we started in 1999. The work load has astronomically increased, regulatory and compliance requirements are of much greater scale; reporting responsibilities which used to be only to DHS now needs to go to 5 HMO's and the 2 state agencies DOH and still DHS. Retention of professional registered nurses and licensed social workers who are the core of our services has become a challenge because we are unable to compete with hospital salary for their employees.

The latest cut of 3% in 2008 have already been restored to other providers except for our case management services. We would like to continue to support the home and community based care that we help build and uphold the quality of care of the industry. We would like to afford and maintain qualified experience case managers. We need to keep up with inflation, we need to be sustainable. We humbly ask the legislature to assist the case management agencies restore the 3% cut 6 years ago so we may continue to provide valuable service to our clients.

Thank you for this opportunity.

todd2 - Chloe

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 14, 2017 11:13 PM
To: HUSstestimony
Cc: alangarcia2017@yahoo.com
Subject: Submitted testimony for HB692 on Feb 15, 2017 09:00AM

HB692

Submitted on: 2/14/2017

Testimony for HUS on Feb 15, 2017 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Garcia	Individual	Support	No

Comments: I support HB692 because during the recession in 2007-2008 the Case Managers had their funding rate reduced. Since their reduction through today, their rate of pay has not gone up. The case managers provide an essential service to ensure the Medicaid community based care homes and their caregivers are in compliance with high healthcare standards for all the Medicaid clients.

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