



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

February 2, 2018

TO: The Honorable Senator Josh Green, Chair
Senate Committee on Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2536 – RELATING TO HUMAN SERVICES**

Hearing: Tuesday, February 5, 2018, 3:45 p.m.
Conference Room 016, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the proposed bill to the extent it does not displace priorities identified in the Governor's supplemental budget. Adding a department grant manager aligns with our transformation efforts and mission to support the well-being of individuals, families, and communities in Hawaii.

PURPOSE: The purpose of the bill is to authorize the Department of Human Services to contract the services of a dedicated capture manager responsible for securing grants and other funding opportunities for the Department of Human Services; makes an appropriation.

DHS provides benefits and services to one in four Hawaii residents, or nearly 360,000 individuals. The state's Medicaid program, QUEST Integration, provides medical insurance coverage for nearly one-half of Hawaii's children. We currently manage an annual budget of nearly \$3.5 billion, of which 64.5 percent is federally funded.

In state fiscal year 2017, DHS received 36 grant awards for a total amount of \$1,938,266,000. The majority of these grants funds are block granted by the federal government to the State and are primarily distributed to recipients as cash assistance, Supplemental Nutrition Assistance Program (SNAP) benefits, and medical insurance coverage.

These funds have eligibility, reporting, and other compliance requirements attached to the receipt of these funds, and are not competitive grants.

However, as part of the DHS mission to transform the way we deliver these benefits and services, and as part of the Governor's package, DHS proposed two measures that may benefit from a grants manager. HB2366/SB2793 requires DHS to use an integrated and multigenerational approach to delivering human services to reduce the incidence of intergenerational poverty and dependence on public benefits, and HB2361/SB2788 creates the health analytics program within the Med-QUEST division that will allow DHS to maintain and analyze the state's all-payers medical claims data to improve overall health care planning and service delivery. These measures are in addition to the investment and transformative work DHS is doing to build an integrated IT system. The ability to seek competitive grants with dedicated staff responsible for the management of grant opportunities for DHS will improve our ability to obtain funding from sources other than state general funds, and will support DHS efforts to become more innovative toward our goal to reduce incidences of poverty.

The proposed grant manager would be able to apply cross-program knowledge to secure grant opportunities. This resource will further the goals of DHS as we transform to an integrated service delivery system to support every recipient's human potential, reduce incidences of intergenerational poverty, reduce abuse and neglect, and improve the community's overall health and well-being.

Thank you for the opportunity to provide comments on this measure.



**Testimony to the Senate Committee on Human Services
Monday, February 5, 2018; 3:45 p.m.
State Capitol, Conference Room 016**

RE: SUPPORTING SENATE BILL NO. 2536, RELATING TO HUMAN SERVICES.

Chair Green, Vice Chair Chang, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 2536, RELATING TO HUMAN SERVICES.

The bill, as received by your Committee, would:

- (1) Authorize the Department of Human Services (DHS) to contract a grant writer to serve as a capture manager for the State;
- (2) Require DHS to report to the 2019 and 2020 Legislatures lists of grant or funding opportunities sought or applied for, grants awarded and funding received, and recommendations and proposed legislation;
- (3) Appropriate an unspecified amount of general funds for fiscal year 2018-2019 to contract the services of a dedicated capture manager for DHS; and
- (4) Take effect on July 1, 2018, and sunset on June 30, 2020.

Federally Qualified Health Centers (FQHCs) provide desperately needed medical services at the frontlines in rural communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of health.

Because the majority of our patients are Medicaid recipients, reimbursement for services provided at FQHCs is extremely complex given the multiple streams of funding received from the federal and State governments. The availability of funding is often volatile due to changes in federal and State laws as well as the manner in which these laws are implemented and enforced. In this environment, it is not only prudent but necessary for the State to seek new sources of funding and devise creative ways of capturing and securing resources.

Accordingly, we **SUPPORT** this measure and urge your favorable consideration.

In advance, thank you for your consideration of our testimony.