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February 13, 2017

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

The Honorable Senator Gilbert Keith-Agaran, Chair
Senate Committee on Judiciary & Labor

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 755 – RELATING TO CASE MANAGERS**

Hearing: February 13, 2017, 2:45 p.m.
Conference Room 016, 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.



TO: Senate Committees on Judiciary and Labor and Human Services

FROM: Ryan Kusumoto, President & CEO of Parents And Children Together (PACT)

DATE/LOCATION: Monday, February 13, 2017; 2:45 p.m., Conference Room 016

RE: TESTIMONY IN SUPPORT OF SB 755 – RELATING TO CASE MANAGEMENT

I strongly urge you to support SB 755 – Relating to Case Management. We support this bill which would allow reimbursement for case management through Medicaid. Case management provides comprehensive support to individuals most in need and their families. Case management is the important conduit for navigating the services and support that is needed as a result of a traumatic experience. Case managers fill in the gaps in knowledge and provide support on a timely basis for victims. This facilitates the healing process and can save the victim/individual from further impacts and unnecessary costs.

Case management is an early intervention for healing and prevention. This can have significant savings on costs, and if not addressed in the proper manner, could have large economic impact for the health system. This benefit to our system will justify the support for case management reimbursement that is comprehensive and time consuming.

Founded in 1968, Parents And Children Together (PACT) is one of Hawaii's not-for-profit organizations providing a wide array of innovative and educational social services to families in need. Assisting more than 18,000 people across the state annually, PACT helps families identify, address and successfully resolve challenges through its 16 programs. Among its services are: early education programs, domestic violence prevention and intervention programs, child abuse prevention and intervention programs, sex trafficking intervention programs, child and adolescent behavioral health programs, and community building programs.

Thank you for the opportunity to testify in **strong support of SB 755**, please contact me at (808) 847-3285 or rkusumoto@pacthawaii.org if you have any questions.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 9:54 PM
To: HMS Testimony
Cc: wailua@aya.yale.edu
Subject: Submitted testimony for SB755 on Feb 13, 2017 14:45PM

SB755

Submitted on: 2/2/2017

Testimony for HMS/JDL on Feb 13, 2017 14:45PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Wailua Brandman	Individual	Support	No

Comments: These workers provide a valuable, cost saving, support to a vulnerable population. They should be adequately supported financially in order to be able to provide the needed services to this vulnerable population.

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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