
HOUSE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A PERFORMANCE, FINANCIAL, AND
PROCUREMENT AUDIT OF THE DEPARTMENT OF HUMAN SERVICES MED-
QUEST DIVISION, INCLUDING AN ANALYSIS OF MED-QUEST'S
ABILITY TO SERVE ALL INDIVIDUALS OF THE STATE.

1 WHEREAS, Medicaid insurance provides medical coverage for
2 various individuals in need, including individuals with low
3 incomes and disabilities; and
4

5 WHEREAS, insurance companies compete for Medicaid contracts
6 because of the higher reimbursement rate received from the
7 federal government; and
8

9 WHEREAS, currently, five insurance plans offer insurance
10 coverage for Medicaid patients in the State: Hawaii Medical
11 Service Association; AlohaCare; Kaiser Permanente; Ohana Health
12 Plan; and United HealthCare Insurance; and
13

14 WHEREAS, in January 2020, the Department of Human Services
15 announced its contract awards, limiting the Medicaid insurance
16 options available to Medicaid recipients in the State to four
17 providers on Oahu and two providers for the neighbor islands;
18 and
19

20 WHEREAS, representatives of Med-QUEST have noted that this
21 downsize in the pool of Medicaid insurers in the State is
22 intended as part of its QUEST Integration plan to simplify
23 choice for patients and billing processes for providers; and
24

25 WHEREAS, the Department of Human Services has created an
26 inequitable provision of services by limiting to two the number
27 of QUEST health plans available to Medicaid recipients on the
28 neighbor islands, while allowing recipients based on Oahu four
29 choices; and



1
2 WHEREAS, this unprecedented move could require more than
3 fifty thousand Medicaid recipients living on neighbor islands,
4 including many thousands on the island of Maui, to change their
5 insurance plans; and

6
7 WHEREAS, these contract awards, totaling \$17,000,000,000,
8 were scheduled to be disbursed over the next decade, effective
9 July 2020; and

10
11 WHEREAS, these contract awards are currently suspended, as
12 AlohaCare, a Hawaii-based insurer that was not selected for an
13 all-island contract, filed a Notice of Protest against the Med-
14 QUEST decision on January 29, 2020; and

15
16 WHEREAS, the future of the Department of Human Services'
17 QUEST Integration plan is uncertain and leaves many impacted
18 communities in limbo, especially with respect to continuity of
19 care; now, therefore,

20
21 BE IT RESOLVED by the House of Representatives of the
22 Thirtieth Legislature of the State of Hawaii, Regular Session of
23 2020, the Senate concurring, that the Auditor is requested to
24 conduct a performance, financial, and procurement audit of the
25 Med-QUEST Division of the Department of Human Services,
26 including an analysis of Med-QUEST's ability to serve all
27 individuals of the State; and

28
29 BE IT FURTHER RESOLVED that the Med-QUEST Division of the
30 Department of Human Services is requested to submit a report to
31 the Legislature not later than August 1, 2020, explaining its
32 decision to reduce the number of insurance providers for
33 Medicaid recipients, particularly Medicaid recipients on islands
34 other than Oahu, with a detailed summary, including any relevant
35 data, of:

- 36
37 (1) How, when, and why its decision to reduce the number
38 of Medicaid insurance providers was made; and
39
40 (2) A plan to address any potential issues this reduction
41 in available Medicaid insurance providers will cause,
42 including a plan to aid the many tens of thousands of



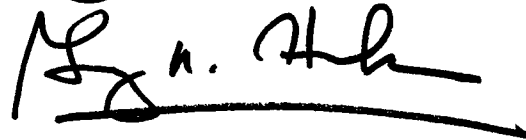
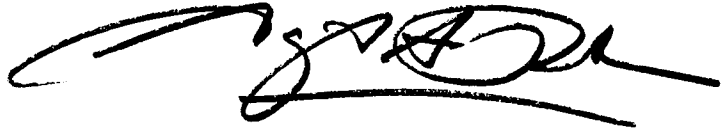
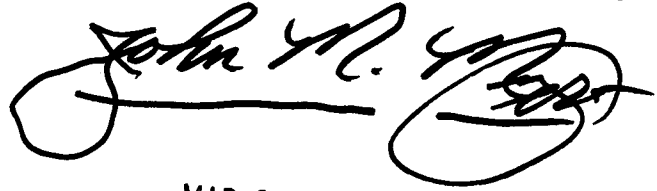
H.C.R. NO. 191

1 Medicaid recipients who will have to choose a new
 2 health plan; and
 3

4 BE IT FURTHER RESOLVED that the Auditor is requested to
 5 submit a report of the Auditor's findings and recommendation to
 6 the Legislature not later than twenty days prior to the
 7 convening of the 2021 Regular Session; and
 8

9 BE IT FURTHER RESOLVED that certified copies of this
 10 Concurrent Resolution be transmitted to the Governor, Auditor,
 11 Director of Human Services, Director of Health, Administrator of
 12 the Department of Human Services Med-QUEST Division, Chief
 13 Executive Officers of Hawaii Medical Service Association,
 14 AlohaCare, Kaiser Permanente, Ohana Health Plan, and United
 15 HealthCare Insurance.
 16
 17
 18

OFFERED BY:

MAR 06 2020

