
HOUSE 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
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5 WHEREAS, insurance companies compete for Medicaid contracts
6 because of the higher reimbursement rate received from the
7 federal government; and
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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
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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
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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
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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
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1 WHEREAS, this unprecedented move could require more than
2 fifty thousand Medicaid recipients living on neighbor islands,
3 including many thousands on the island of Maui, to change their
4 insurance plans; and

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

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

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

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

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

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

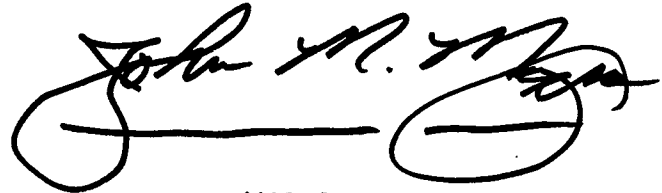
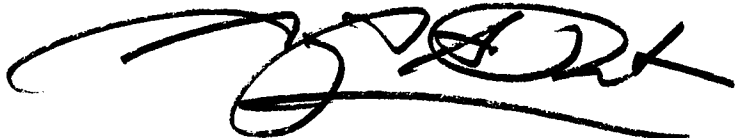
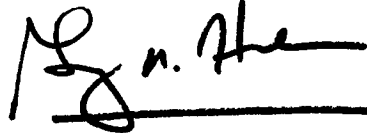


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BE IT FURTHER RESOLVED that the Auditor is requested to submit a report of the Auditor's findings and recommendation to the Legislature not later than twenty days prior to the convening of the 2021 Regular Session; and

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

OFFERED BY:



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