

STAND. COM. REP. NO. 662-20

Honolulu, Hawaii
, 2020

FEB 14

RE: H.B. No. 668
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committees on Health and Human Services & Homelessness,
to which was referred H.B. No. 668 entitled:

"A BILL FOR AN ACT RELATING TO HEALTHCARE,"

beg leave to report as follows:

The purpose of this measure is to authorize the Director of Human Services, on behalf of the State, to apply for membership in the Sovereign States Drug Consortium, which is a collaborative group of state Medicaid programs organized as a collective Medicaid purchasing and rebate pool to provide residents of member states with high-quality pharmaceutical care while controlling costs.

Prior to decision-making on this measure, your Committees made available for public review a proposed H.D. 1, which amends this measure by deleting its contents and inserting language to require the Department of Human Services to make available to all enrollees of QUEST Integration managed care health plans in the State the opportunity to choose from any of the four health plans awarded contracts through RFP-MQD-2019-002.

Your Committees received testimony in support of the proposed H.D. 1 from Hana Health, West Hawaii Community Health Center, Lanai Community Health Center, Waimanalo Health Center, Molokai General Hospital, Kaiser Permanente Hawaii, Pediatric Therapies

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Hawaii, Green Wheel Food Hub, AlohaCare, Alii Health Center, No Shame Hawaii, Hoola Lahui Hawaii, and numerous individuals. Your Committees received testimony in opposition to this measure from the Hawaii Medical Service Association and one individual. Your Committees received comments on the proposed H.D. 1 from the Department of the Attorney General, Department of Health, State Procurement Office, UnitedHealthcare Community Plan of Hawaii, and Kalo Physical Therapy Multispeciality Group.

Your Committees find that ensuring that neighbor island residents have access to the same health plans as residents of Oahu is a matter of parity and fairness. This measure seeks to provide equitable access to health care for Medicaid members statewide.

Your Committees have amended this measure by deleting its contents and inserting language that:

- (1) Requires the Department of Human Services, prior to executing any contract that would reduce the number of Medicaid plans available in any part of the State, to receive the approval of the Legislature by concurrent resolution by a two-thirds vote of each house of the Legislature;
- (2) Requires the State Auditor to conduct an audit of the Department of Human Services' request for information and request for proposals processes regarding RFP-MQD-2019-002;
- (3) Establishes a legislative task force to review the Department of Human Services' request for information and request for proposals processes;
- (4) Adds a severability clause; and
- (5) Changes the effective date to July 1, 2050, to encourage further discussion.

Your Committees find that section 103F-408, Hawaii Revised Statutes, may apply to the Department of Human Services' reduction in the number of Medicaid health plans available to residents of the neighbor islands. Furthermore, your Committees request the Department of Human Services to review the possibility of making



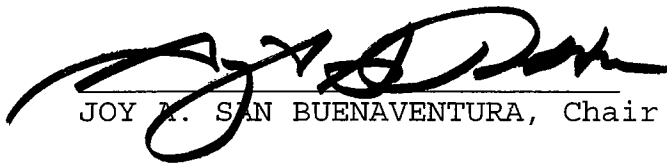
available the two additional Medicaid health plans to neighbor island residents, thus providing parity with Oahu's Medicaid patients.

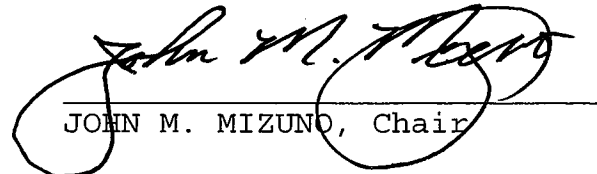
Your Committees note that during the Regular Session of 2010, the Legislature passed S.B. No. 2650, S.D. 2, H.D. 2, C.D. 1. This measure effectively prevented the Department of Human Services from closing all of its walk-in offices and establishing only two call centers--one in Honolulu and one in Hilo--for all clients served by the Department of Human Services. This measure was vetoed by the Governor. However, the Legislature overrode the Governor's veto, and this measure was enacted as Act 67, Session Laws of Hawaii 2010, on April 29, 2010.

Furthermore, your Committees note that during the Regular Session of 2005, the Legislature passed H.B. No. 1317, H.D. 1, S.D. 1, C.D. 1. This measure prohibited the Department of Human Services from taking any action to remove pharmaceutical benefits management from managed care plans for Medicaid beneficiaries. This measure was vetoed by the Governor. However, the Legislature overrode the Governor's veto, and this measure was enacted as Act 4, Special Session Laws of Hawaii 2005, on July 12, 2005.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Homelessness that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 668, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 668, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services & Homelessness,


JOY R. SAN BUENAVENTURA, Chair


JOHN M. MIZUNO, Chair



