

DAVID Y. IGE
GOVERNOR



EXECUTIVE CHAMBERS
HONOLULU

February 11, 2021

TO: The Honorable Representative Ryan I. Yamane, Chair
House Committee on Health, Human Services, and Homelessness

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **HB 730 – RELATING TO HEALTH AND HUMAN SERVICES**

Hearing: Thursday, February 11, 2021, 9:30 a.m.
VIA VIDEO CONFERENCE
Conference Room 329, State Capitol

POSITION: The Governor's Coordinator appreciates the intent of this bill and offers comments. The Coordinator defers to the Department of Human Services (DHS) regarding the process to become a qualified Medicaid provider, and to the Department of Health (DOH) regarding the potential impact of this measure on program delivery.

PURPOSE: The purpose of this bill is to require that any provider that is awarded a contract to provide health and human services by a purchasing agency shall be a qualified Medicaid provider. In addition, the bill requires DOH to provide an explanation of how providers may capture federal Medicaid moneys.

The Coordinator recognizes the critical intersection between healthcare and homelessness. In particular, severe mental illness and substance use disorders, if untreated, impact the ability of homeless individuals to access and maintain stable housing. While the DHS Homeless Programs Office funds specific programs for outreach, shelter, housing first, rapid rehousing, and other housing-focused services, DOH also funds programs through its Behavioral Health Administration that directly serve homeless individuals.

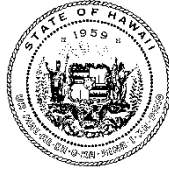
The Coordinator appreciates the Legislature's efforts to increase utilization of Medicaid funding for health and human services administered by DOH, and notes that DHS recently

obtained a waiver to provide certain supportive housing services through the QUEST integration health plans. The five QUEST Integration health plans have established Housing Coordinator positions to coordinate supportive housing services and are actively participating with the Continua of Care (CoCs) for homeless services.

A key limitation of the waiver for supportive services is that Medicaid funds cannot fund rent payment or shelter. In addition, many homeless service providers may not currently be credentialed or have procedures in place to bill Medicaid for services. The process to become credentialed as a Medicaid provider is complex and may require more than one year to obtain certification. Due to these limitations, DOH providers may need more time for implementation, and the bill may have the unintended impact of reducing access to behavioral health services for homeless individuals if DOH providers are unable to obtain Medicaid credentials.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



BONNIE KAHAKUI
ACTING ADMINISTRATOR

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STATE PROCUREMENT OFFICE

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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
HEALTH, HUMAN SERVICES, & HOMELESSNESS
FEBRUARY 11, 2021, 9:30 A.M.

HOUSE BILL 730
RELATING TO HEALTH AND HUMAN SERVICES

Chair Yamane, Vice Chair Tam, and members of the committee, thank you for the opportunity to submit testimony on HB730. The State Procurement Office (SPO) opposes the proposed amendments to Chapter 103F, Hawaii Revised Statutes (HRS), that would obligate providers to be or become a qualified Medicaid provider.

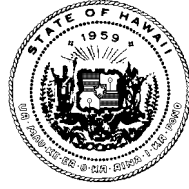
Chapter 103F, Purchase of Health and Human Services, and Chapter 103D, the Hawaii Public Procurement Code, are intended to provide guidance and definitions for the methods and procedures of procurement. The proposed amendments to address specific contract terms would not be appropriate in either Chapter 103F or Chapter 103D, HRS. The proposed language would be more appropriately placed in the HRS Chapter and Hawaii Administrative rules pertaining to the departments that purchase health and human services.

Additionally, making it a requirement for state agencies to conclude contracts for health and human services only with registered Medicaid providers could substantially narrow down the pool of available providers, especially for treatments necessary to be rendered by specialty and subspecialty providers who are already very limited in the State of Hawaii.

Recommendations: The SPO recommends removing in its entirety the language in Sections 1 and 2 from HB730 and consider making it a preferable qualification in competitive solicitations for providers to be registered and qualified with Medicaid.

Thank you.

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

February 10, 2021

TO: The Honorable Representative Ryan I. Yamane, Chair
House Committee on Health, Human Services, & Homelessness

FROM: Cathy Betts, Director

SUBJECT: **HB 730 – RELATING TO HEALTH AND HUMAN SERVICES.**

Hearing: Thursday, February 11, 2021, 9:30 a.m.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent and offers comments.

PURPOSE: The purpose of this bill is to require that any provider that is awarded a contract to provide health and human services by a purchasing agency shall be a qualified Medicaid provider; to require the Department of Health (DOH) to provide an explanation of how providers may capture federal Medicaid moneys.

DHS appreciates the intent to increase the number of providers available to serve Medicaid beneficiaries. We note that Medicaid providers must meet specific criteria to be enrolled. To provide services, in the majority of cases, they would also need to be credentialed and contracted with the QUEST Integration health plans.

Importantly, the measure's requirement that "any provider" be a qualified Medicaid provider is very broad as not all health and human service providers provide Medicaid-billable services. If the measure is implemented as written, it may impact the department's ability to procure services as community providers may not have the credentials or capacity to fulfill the

requirements. As services are needed, creating additional requirements may delay the procurement and delivery of vital services.

DHS also suggests that any explanation by the Department of Health (DOH) about Medicaid focus on billing for services as opposed to “capture federal Medicaid moneys” as only the state Medicaid agency is able to obtain federal Medicaid match. Payments made by Medicaid for health care services automatically account for both the state fund and federal fund portions, in other words, only one payment is made for services, not one for federal Medicaid moneys and one for state fund moneys.

If the measure proceeds, DHS requests the effective date of these provisions be several years into the future as we assess the impacts upon our provider community, examine how long it will take providers to become Medicaid providers, and better determine what services this proposal should cover.

Thank you for the opportunity to provide testimony in strong support of this measure.

HB-730

Submitted on: 2/10/2021 3:36:10 PM

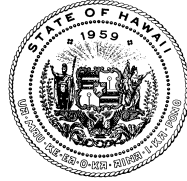
Testimony for HHH on 2/11/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Judy Mohr Peterson	Department of Human Services, Med-QUEST	Comments	No

Comments:

I will be testifying on behalf of Department of Human Services offering comments. The DHS written testimony has been separately submitted.

DAVID Y. IGE
GOVERNOR OF HAWAII



ELIZABETH A. CHAR, M.D.
DIRECTOR OF HEALTH

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**Testimony in SUPPORT of HB730
RELATING TO HEALTH**

REP. RYAN I. YAMANE, CHAIR
HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES, & HOMELESSNESS

Hearing Date: February 11, 2021 Room Number: N/A

1 **Department Testimony:** The Department of Health (DOH) supports the intent of this measure
2 but proposes amendment to address unintended consequences.

3 The purpose of this measure appears to be to increase provider participation with the Medicaid
4 program and to increase the drawdown of federal funding. While these are laudable goals,
5 requiring Medicaid participation may negatively impact DOH's ability to contract for certain
6 specialty and subspecialties, for which leverage is less effective if their book of business is
7 mostly private insurance or cash payment.

8 The department respectfully recommends amendments that make Medicaid status a preferred
9 qualification for competitive procurement such that if two providers of equal value to the State
10 are ranked, and only one is participating that the Medicaid provider be selected. A second
11 alternative may be to apply only to specialties with less acute shortages like primary care,
12 compared to psychiatry, for example.

13 Thank you for the opportunity to testify.

14 **Offered Amendments:** N/A.

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HB-730

Submitted on: 2/10/2021 9:32:06 PM

Testimony for HHH on 2/11/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Linda Elento	Individual	Oppose	No

Comments:

Aloha. I oppose this measure as it would negatively affect the IDEA-mandated services provided to disabled children and students who need early intervention services or special education or related services (sec. 504 and ADA Title II). Thank you for your consideration to hold this bill.

HB-730

Submitted on: 2/10/2021 9:45:23 PM

Testimony for HHH on 2/11/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Linda Elento	Individual	Oppose	No

Comments:

Aloha. I oppose this measure as it would negatively affect the IDEA-mandated services provided to disabled children and students who need early intervention services or special education or related services (sec. 504 and ADA Title II). Thank you for your consideration to hold this bill.