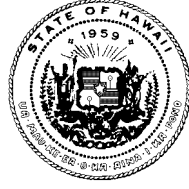


DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

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

March 30, 2022

TO: The Honorable Representative Sylvia Luke, Chair
Committee on Finance

FROM: Cathy Betts, Director

SUBJECT: **SB 2857 SD2 HD1 – RELATING TO CHILD WELLNESS.**

HEARING: April 1, 2022, 3:00 p.m.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this measure as long as it does not displace or reduce funding for our priorities identified in the Executive Budget. Additionally, if enacted, DHS notes that the pilot program would only be able to be implemented if sufficient general funds are available over the entire five-year pilot period. Therefore, DHS respectfully requests the following **amendment** on page 1, line 8,

- (b) The pilot program shall pay \$50 to each state medicaid benefit recipient for each completed well-child examination of that recipient parent's child; provided that **only one payment may be made per child each year, subject to available funds.**

PURPOSE: The purpose of this measure is to establish within the Department of Human Services, a five-year Child Wellness Incentive Pilot Program that pays \$50 to a state Medicaid benefit recipient who is a parent to a child, each time the child completes a well-child examination, provided that only one payment may be made per child each year. Requires the

Department of Human Services to adopt rules and report to the Legislature. Appropriates funds. Repeals 6/30/2027. Effective 12/31/2060. (HD1)

The SD1 appropriates \$4,516,000 and defects the date to December 31, 2050.

The SD2 changed the appropriation from \$4,516,000 to an unspecified amount and made technical changes.

The HD1 defected the effective date and made technical amendments.

The Department supports efforts to increase wellness screenings for children in Hawaii. Currently, QUEST Integration, the State's Medicaid program, covers over 162,000 children, about half of all children in the State. Children's wellness visits are strongly promoted through a Medicaid benefit called Early Periodic Screening Diagnoses and Treatment (EPSDT). EPSDT covers all screenings for children and young adults up to age 21.

The QUEST Integration health plans currently offer various non-financial incentives to complete wellness checks. One plan is considering implementing financial incentives using a Visa card for various preventive services, including well-child checks. The financial incentive is a "value-added" service that means that the incentive program costs are not paid for in the health plan's capitation payments made by the Med-QUEST Division (MQD) since these costs are not allowable federal Medicaid expenses. However, financial incentives may help families offset the costs of childcare, transportation, or other necessities.

Children have different schedules of recommended wellness checks depending on their age. For example, birth to one-year-old is recommended for six visits, while older children have annual visits. The pilot program provides one payment per year per child regardless of the number of well-child visits recommended or provided.

The Child Wellness pilot program would pay \$50 to a parent who is a Medicaid beneficiary when their child receives a well-child visit. Thus, the incentives would be available for a sub-set of the children served by Medicaid and, potentially, for some children who are not covered by Medicaid. As noted earlier, the \$50 would be one time per year, regardless of whether the child received multiple well-child visits during the year. There are an estimated 51,560 QUEST parents who have 90,320 children on QUEST. If the parents took all of their children in at least once, the cost would be \$4,516,000 each year in State general funds.

It is unknown how many children are not covered by QUEST but whose parents are QUEST beneficiaries. An example of this situation is a child covered via employer-based dependent health insurance coverage through a parent in a different household. The Med-QUEST Division does not have access to that information and cannot estimate those costs. As noted earlier, these types of financial incentives are not allowable federal Medicaid expenditures, so the State cannot receive federal Medicaid matching dollars.

The Department will be required to adopt rules, implement the program, make and track the payments, evaluate the effectiveness of the pilot, make recommendations, and submit a report to the Legislature. These administrative duties will require MQD staff to accomplish these additional tasks. Therefore, for MQD to perform these new tasks in addition to existing work, the Department respectfully requests that the staffing requests in the executive budget to fund defunded positions be considered and no further staffing reductions be enacted.

Thank you for the opportunity to provide comments on this measure.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 2857, S.D. 2, H.D. 1

April 1, 2022

3:00 p.m.

Room 308 and Videoconference

RELATING TO CHILD WELLNESS

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2857, S.D. 2, H.D. 1: 1) establishes the Child Wellness Incentive Pilot Program (CWIPP) within the Department of Human Services (DHS) for a period of five years; 2) sets basic parameters around CWIPP incentive payments for well-child examinations, including recipient eligibility, incentive amount, and total annual incentive limits; 3) sets reporting requirements for DHS; 4) provides definitions for clarity; and 5) appropriates an unspecified amount of general funds to DHS in FY 23 to establish, implement, and operate CWIPP.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relatives to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

SB-2857-HD-1

Submitted on: 3/28/2022 8:40:11 PM

Testimony for FIN on 4/1/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Ching, MD, MPH	American Academy of Pediatrics, Hawaii Chapter	Support	Written Testimony Only

Comments:

To Rep. Sylvia Luke, Chair, Rep. Kyle T. Yamashita, Vice Chair, and Members of the Committee on Finance:

The American Academy of Pediatrics, Hawaii Chapter supports SB2857 as a mechanism to increase adherence to the well child examination schedule. Well child examinations play an important role in ensuring the health of our keiki. At these visits children receive needed screening for health problems, immunizations to protect against diseases, and guidance to promote healthy behaviors. Children who receive the recommended well child care are more likely to have developmental concerns identified early and are less likely to use the emergency room. During the coronavirus pandemic, enrollment in Medicaid has increased nationwide, and more of our vulnerable keiki than ever are covered under this program. We support the state's efforts to incentivize families to access this important care.

Sincerely,

Michael S.L. Ching, MD, MPH, FAAP
President
American Academy of Pediatrics, Hawaii Chapter



March 28, 2022

The Honorable Sylvia Luke, Chair
The Honorable Kyle T. Yamashita, Vice Chair
House Committee on Finance

Re: SB 2857 SD2 HD1 – Relating to Child Wellness

Dear Chair Luke, Vice Chair Yamashita, and Committee Members:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB2857, SD2, HD1, which establishes within the Department of Human Services a 5-year Child Wellness Incentive Pilot Program that pays \$50 to each state Medicaid benefit recipient for each completed well-child examination of that recipient parent's child. Requires the Department of Human Services to adopt rules and report to the Legislature. Appropriates funds. Repeals 6/30/2027. Effective 7/1/2060.

HMSA supports the legislature's efforts to improve the health of children in Hawaii. Routine examination as part of preventative pediatric care is an integral part of early detection of illness that would help to protect our keiki.

Thank you for allowing us to testify in support of SB2857, SD2, HD1.

Sincerely,

Matthew W. Sasaki
Assistant Vice President
Government & External Relations



March 28, 2022

The Honorable Sylvia Luke, Chair
The Honorable Kyle T. Yamashita, Vice Chair
House Committee on Finance

Senate Bill 2857 SD2 HD1 – Relating to Child Wellness

Dear Chair Luke, Vice Chair Yamashita, and Members of the Committee:

The Hawaii Association of Health Plans (HAHP) appreciates the opportunity to provide testimony in support of SB 2857 SD2 HD1. HAHP is a statewide partnership of Hawaii’s health plans and affiliated organizations to improve the health of Hawaii’s communities together. The vast majority of Hawaii residents receive their health coverage through a health plan associated with one of our organizations.

HAHP supports the Legislature’s intent to encourage well-child visits through the Child Wellness Incentive Pilot Program within the Medicaid (QUEST Integration) program. The early detection of illness, disease, and other health care issues is important for the healthy development of our state’s keiki.

Thank you for allowing us to provide testimony in support of SB 2857 SD2 HD1.

Sincerely,

HAHP Public Policy Committee

cc: HAHP Board Members

hahp.org | 818 Keeaumoku St., Honolulu, HI 96814 | info@hahp.org

AlohaCare | HMAA | HMSA | Humana | HWMG | Kaiser Permanente | MDX Hawaii | Ohana Health Plan |
UHA Health Insurance | UnitedHealthcare

SB-2857-HD-1

Submitted on: 3/28/2022 4:28:08 PM

Testimony for FIN on 4/1/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Marilyn Yamamoto	Hawaii Family Advocacy Team	Oppose	Written Testimony Only

Comments:

Representative Luke,

The language in this bill and succeeding written and verbal testimonies do not convince me that there is a challenge to getting children to wellness or medical visits. In fact, there appears to be an acceptable success rate for parents who are on MedQuest. I am not clear on why the need to spend 20 million dollars for a 5-year plan.

As I had suggested before, 20 million dollars would be better spent on restoration of at least some of the defunded YWCA Healthy Start units. The organization has a proven system of providing home visits to families with a comprehensive education on health, parenting skills, and problem-solving ability that can clearly be identified as child abuse and neglect prevention.

I oppose this bill as being unnecessary expense of tax dollars that could be better spent elsewhere.