

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 2, 2022

TO: The Honorable Joy A. San Buenaventura, Chair  
Committee on Human Services

FROM: Cathy Betts, Director

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

HEARING: February 3, 2022, 3:00 pm  
Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports the intent of this measure as long as it does not displace or reduce funding for our priorities identified in the Executive Budget.

**PURPOSE:** The purpose of this measure is to establish within DHS a five-year Child Wellness Incentive Pilot Program that pays \$50 to a state Medicaid beneficiary who is a parent to a child, each time their child completes a well-child examination. It requires DHS to adopt rules and report to the legislature. The bill also makes an appropriation.

The department supports efforts to increase wellness screenings for children in Hawaii. Currently, QUEST, 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. 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 are recommended to have annual visits.

The QUEST Integration health plans currently offer various non-financial incentives to complete wellness checks. One plan is to implement financial incentives this year in a Visa card for various preventive services, including well-child checks. The financial incentive is "value-added" services. The incentive program costs are not paid for in the health plan's capitation payments by MQD since they are not allowable federal Medicaid expenses. Financial incentives could help families offset the costs of childcare, transportation, or other necessities.

The Child Wellness pilot program would pay \$50 to a parent who is a Medicaid beneficiary when a child receives a well-child visit. The \$50 would be one time per year, regardless of whether the child received multiple well-child visits. 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. 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. 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, therefore, 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.

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

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

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

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
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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 SENATE COMMITTEE ON HUMAN SERVICES  
ON  
SENATE BILL NO. 2857

**February 3, 2022**  
**3:00 p.m.**  
**Room 225 and Videoconference**

RELATING TO CHILD WELLNESS

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

Senate Bill No. 2857: 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 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 relative 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.



January 31, 2022

The Honorable Joy A. San Buenaventura, Chair  
The Honorable Les Ihara, Jr., Vice Chair  
Senate Committee on Human Services

Re: SB 2857 – Relating to Child Wellness

Dear Chair San Buenaventura, Vice Chair Ihara, and Committee Members:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB2857, which establishes a five-year Child Wellness Incentive Pilot Program within the Department of Health, that pays \$50 to a state Medicaid benefit recipient who is a parent to a child, each time that child completes a well-child examination. SB2857 requires the Department of Human Services to adopt rules and report to the Legislature. This measure makes an appropriation and repeals on 6/30/2027.

HMSA supports the legislature's efforts to improve the health of children in Hawaii, particularly in the areas of early detection of potential illness. We are seeking to clarify whether children enrolled in the Children's Health Insurance Program (CHIP) are intended to be covered within the Child Wellness Incentive Pilot Program and would like to respectfully request that they are if that was not already the intent. We would also like to respectfully suggest that the definition of "Well-child examination" also require that a provider submit a completed Early and Periodic Screening, Diagnostic and Treatment (EPSDT) to account for a completed visit.

Thank you for allowing us to testify on SB2857. Your consideration of our comments is appreciated.

Sincerely,

Matthew W. Sasaki  
Assistant Vice President  
Government & External Relations



January 31, 2021

The Honorable Joy A. San Buenaventura, Chair  
The Honorable Les Ihara, Jr., Vice Chair  
Senate Committee on Human Services

**Senate Bill 2857 – Relating to Child Wellness**

Dear Chair San Buenaventura, Vice Chair Ihara, and Members of the Committee:

The Hawaii Association of Health Plans (HAHP) appreciates the opportunity to provide testimony in **support** of SB 2857. 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. Please note that QUEST health plans currently provide incentives to encourage well-child visits. We would recommend to the Legislature to defer to DHS/Med-QUEST on the structure/details of the pilot program.

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

Sincerely,

HAHP Public Policy Committee

cc: HAHP Board Members

[hahp.org](http://hahp.org) | 818 Keeaumoku St., Honolulu, HI 96814 | [info@hahp.org](mailto:info@hahp.org)

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

**SB-2857**

Submitted on: 1/30/2022 9:21:15 PM

Testimony for HMS on 2/3/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Michael Ching, MD, MPH	Testifying for American Academy of Pediatrics, Hawaii Chapter	Support	No

Comments:

Chair San Buenaventura, Vice Chair Ihara, and Members of the Senate Committee on Human Services:

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 received 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.

**SB-2857**

Submitted on: 1/29/2022 11:17:34 AM

Testimony for HMS on 2/3/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Marilyn Yamamoto	Testifying for Hawaii Family Advocacy Team	Comments	No

Comments:

Senator San Buenaventura,

My recommendation, from first hand observation, is to restore the funding for the YWCA Healthy Start program that offers voluntary twice-monthly home visits from highly qualified social workers/nurses. They provide education on parenting skills, health, nutrition and child development from 0-3. My perspective is that this program is the only true child abuse prevention program.



**SB-2857**

Submitted on: 1/29/2022 12:26:17 PM

Testimony for HMS on 2/3/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Dara Carlin, M.A.	Individual	Oppose	No

Comments:

Well-intentioned but very poorly timed; this is not what we need money going to at this moment. Any funds of this nature should be used towards the urgent need of supporting children & teens' *mental health services* stemming from the consequences of the Coronavirus.