

**SB 2650**

**Late Testimony**

## **kim5 - Deborah**

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**From:** Sarah Suzuki [suzukis003@hawaii.rr.com]  
**Sent:** Tuesday, February 23, 2010 9:34 PM  
**To:** WAM Testimony  
**Subject:** SB 2650 S.D.1 - Written Testimony  
**Attachments:** DecisionMakingHearing2242010SenMercadoKim.docx

**Importance:** High

**Follow Up Flag:** Follow up  
**Flag Status:** Completed



**To:** Senator Donna Mercado Kim, Chair  
Committee on Ways and Means

Senator Shan S. Tsutsui, Vice Chair  
Committee on Ways and Means

**From:** Sarah Suzuki, MBA, BSN, RN  
President, Case Management Council  
Managing Partner, Blue Water Resources, LLC

**Subject:** Notice of Decision Making  
Wednesday, February 24, 2010, 10:10 A.M.  
Conference Room 211, State Capitol

**Purpose:**

RELATING TO THE DEPARTMENT OF HUMAN SERVICES

Requires Medicaid contracts between the Department of Human Services and Medicaid healthcare insurance plan contractors to contain provisions affecting the reimbursement obligations in the policies between the Medicaid healthcare insurance plan contractors and the home and community-based case management agencies. Prohibits reductions of reimbursements of more than 10%. (SD1)

**Position:**

On December 31, 2009, the Licensed DHS case managers received a certified letter from Ohana Health Plan notifying the agencies of a 48% rate reduction. All the agencies were concerned not only for the survival of their businesses but also the safety and welfare of their patients. On three separate occasions, Ohana Health Plan was asked if the new rates were negotiable. However, the request for a possible rate increase was denied.

Recently, Ohana Health Plan was able to offer a better rate which reflects a 17% decrease from the original rate versus the astounding 48% rate reduction. The case management agencies are thankful for the new rate. However, even with the current rate, some case management agencies in the neighbor islands may not be able to continue to provide services. At the original case management rate, it was already difficult to provide services to some of the most remote areas of the neighbor islands. With the 17% decrease, it will make it even more difficult to continue to provide services. The provider network may be compromised and client choice may not be possible.

I, respectfully, ask the Ways and Means Committee members to pass SB 2650 with two recommendations: (1) that the healthcare insurance plan contractor shall not reduce the already established reimbursement rates (before December 31, 2009) to the home and community case management agency in excess of ten percent (2) if rate reductions are necessary that there is a time frame delineated (i.e. every two to three years). Otherwise, the insurance plan could theoretically change the rate every few months.

There are no appropriations asked for in this bill and no additional State costs would be incurred, in any way, by its passage. SB 2650 seeks to ensure the viability of a group (case management agencies) that is integral to the State's and the QExA health plans' ability to provide better and more cost-effective care and to actually reduce costs in those areas where the most preventable unnecessary spending occurs, such as emergency room visits, hospitalization, and medications.

Thank you for allowing me to provide this testimony.

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**From:** Sarah Suzuki [suzukis003@hawaii.rr.com]  
**Sent:** Tuesday, February 23, 2010 9:36 PM  
**To:** WAM Testimony  
**Cc:** Sarah Suzuki BWR; 'Sarah Suzuki'  
**Subject:** RE: SB 2650 S.D.1 - Written Testimony

**Importance:** High

**Follow Up Flag:** Follow up  
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Resending

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**From:** Sarah Suzuki [mailto:suzukis003@hawaii.rr.com]  
**Sent:** Tuesday, February 23, 2010 9:34 PM  
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