

NEIL ABERCROMBIE  
GOVERNOR



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**LATE**

March 20, 2012

TO: Honorable Ryan I. Yamane, Chair  
House Committee on Health  
  
Honorable John M. Mizuno, Chair  
House Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2227 - RELATING TO HEALTH**

Hearing: Tuesday, March 20, 2012; 10:00 a.m.  
Conference Room 329, State Capitol

**PURPOSE:** The purpose of this bill is to appropriate moneys to community health centers for the provision of direct health care for the uninsured, including those who will be disenrolled from the Medicaid QUEST program pending eligibility changes in April 2012.

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the role that the federally qualified health centers (FQHCs) play as an important safety-net provider. The DHS supports the intent of this measure provided that its passage does not replace or adversely impact the priorities indicated in the Executive Supplemental Budget.

On a positive note, the DHS anticipates that total coverage is expected to increase with the proposed benefit changes to the QUEST health plans effective July 1, 2012. The

DHS believes that the net effect will be an increase in overall covered outpatient visits, which may result in increased reimbursements to the FQHCs and other providers.

The proposed changes include reducing eligibility in its QUEST-ACE and QUEST-NET programs to 133% of the federal poverty level (FPL). An estimated 3,000-3,500 individuals may lose eligibility as a result. At the same time, the DHS is also seeking federal approval to increase assets limits in QUEST-ACE from \$2000 to \$5000 and increase the health care benefits for those in QUEST-ACE and QUEST-Net to match those covered in QUEST providing increased benefits to approximately 12,000 underinsured individuals.

The proposed changes will increase the health care benefits in QUEST-ACE and QUEST-Net as follows: 1) increasing from outpatient visits from 12 visits to unlimited outpatient visits; 2) increasing from 10 inpatient days to 30 inpatient days for medical/surgical conditions plus an additional 30 days for behavioral health; and 3) from coverage for a few generic antibiotics to full prescription drug coverage.

The increased benefit coverage of unlimited outpatient visits for the remaining 12,000 in QUEST-ACE and QUEST-Net compared to loss of 12 covered visits for the 3,000-3,500 who will be disenrolled is expected to result in a net increase in covered utilization. Additionally, the DHS will provide information to those individuals who may lose their benefits about the availability of privately purchased individual health plans, coverage under the pre-paid health act, and the availability of services at FQHCs and other non-profit providers.

Thank you for the opportunity to comment on this bill.