



HPCA

HAWAI'I PRIMARY CARE ASSOCIATION

House Committee on Human Services

The Hon. John Mizuno, Chair

The Hon. Jo Jordan, Vice Chair

Testimony in Support of House Bill 2285

Relating to Medicaid

Submitted by Robert Hirokawa, Chief Executive Officer

January 30, 2012 8:30 a.m., Room 329

The Hawai'i Primary Care Association supports House Bill 1913, Relating to Medicaid, which directs the state auditor to conduct a management and financial audit of Evercare and Ohana Health Plans as they provide Medicaid coverage services under the Department of Human Services QUEST Expanded Access Program. Such an audit will include determining the quality and efficiency of services provided, client access to services, client billing practices and the financial soundness of Evercare and Ohana's respective parent companies.

The Medicaid program represents the largest source of federal revenues for Hawaii state government, a number that totaled \$1.3 billion dollars in 2009 and grew to nearly \$1.9 billion in 2010. In total, the program represents more than 270,000 patients across the state and accounts for 48% of patients served in community health centers.

As such, it is imperative that the state provides fair and balanced oversight to those plans chosen to receive Medicaid dollars. Auditing quality and efficiency metrics ensures that the state maximizes federal funds received and monitoring access and billing practices enables patients to continue receiving the care they need in a timely manner.

In order to fully achieve this goal, the Hawaii Primary Care Association agrees that premium tax issue needs to be revisited. The inclusion of the 4.265% premium tax on for-profit plans in the state is not only in line with the clear legislative intent of Act 69, it also provides an even playing field for non-profit plans operating within the state. Only by providing such an even field will Hawaii be able to continue ensuring fiscal responsibility and patient protection with the Medicaid program.

We urge you to pass this measure out of committee and thank you for the opportunity to testify.