



SENATE COMMITTEE ON HUMAN SERVICES
Senator Suzanne Chun Oakland, Chair

Conference Room 016
January 28, 2010 at 1:50 p.m.

Supporting SB 2067.

The Healthcare Association of Hawaii represents its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. Thank you for this opportunity to testify in support of SB 2067, which fast-tracks the transfer of certain patients from acute care hospitals to long term care.

On any given day there are an average of 200 patients in Hawaii's hospitals who have been treated so that they are well enough to be transferred to long term care, but who are waitlisted because long term care is not available. Waitlisting is undesirable because it represents an inappropriate quality of care for the patient and creates a serious financial drain on hospitals. Waitlisted patients also unnecessarily occupy hospital beds that could otherwise be used by those who need acute care. Patients may be waitlisted for a matter of days, weeks, or months, and in some cases over a year.

The waitlist dilemma is unique to Hawaii, largely because Hawaii has one of the lowest ratios of long term care beds for its population in the United States. Whereas the US average is 47 long term care beds per 1000 people over age 65, Hawaii averages 23 (half of the US average). The shortage of long term care beds is the result of high costs of construction and operation, along with low payments for services.

Recognizing the waitlist problem, the Legislature in 2007 adopted SCR 198, which requested the Healthcare Association of Hawaii (HAH) to study the problem and propose solutions. HAH subsequently created a task force for that purpose. The study required information that was not fully available in time for the 2008 session, so an interim report was submitted. Meanwhile, the Legislature adopted HCR 53, which requested HAH to continue to study the waitlist problem.

The task force submitted a final report to the 2009 Legislature. In addition, HAH sponsored SB 417, which contained certain recommendations made in the report as the first step toward solving the waitlist problem. The adoption of these recommendations were designed to:

- (1) Promote the movement of waitlisted patients out of acute care;
- (2) Reduce unpaid costs incurred by hospitals and free up hospital resources so that they can be used to treat those who need that high level of care; and
- (3) Enable long term care facilities to accept waitlisted Medicaid patients with complex medical conditions while addressing the additional costs related to their care.

HAH also sponsored HB 705 and companion bill SB 419, which would have created a Medicaid presumptive eligibility process designed to reduce the length of time taken to transfer patients waitlisted in hospitals to long term care.

Unfortunately, at about this time Hawaii began to feel the impacts of the recession, and the 2009 Legislature was faced with severe shortfalls in State revenues. The financial situation became so severe that the State was forced to cut back on existing programs. As a result, SB 417 and HB 705 / SB 419 were not passed. The bill being considered today, SB 2067, is a duplicate of HB 705 / SB 419.

Hospitals continue to lose money because of waitlisted patients. A report issued by Ernst & Young in late 2009 reported that Medicaid pays for only 20% to 30% of the actual costs of care for waitlisted patients, representing uncompensated hospital costs of approximately \$72.5 million in 2008.

For the foregoing reasons, the Healthcare Association supports SB 2067.



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Thursday - January 28, 2010 – 1:50pm
Conference Room 016

The Senate Committee on Human Services

To: Senator Suzanne Chun Oakland, Chair
Senator Les Ihara, Vice Chair

From: Virginia Pressler, MD, MBA
Executive Vice President

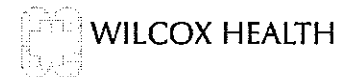
Re: **SB 2067 RELATING TO MEDICAID ELIGIBILITY - Testimony in Strong Support**

My name is Ginny Pressler, MD Executive Vice President at Hawai'i Pacific Health (HPH). Hawai'i Pacific Health is a nonprofit health care system and the state's largest health care provider, committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four affiliated hospitals, 44 outpatient clinics and more than 2,200 physicians and clinicians. The network is anchored by its four nonprofit hospitals: Kapi'olani Medical Center for Women & Children, Kapi'olani Medical Center at Pali Momi, Straub Clinic & Hospital and Wilcox Memorial Hospital. Collectively, they lead the state in the areas of women's health, pediatric care, cardiovascular services, bone and joint services and cancer care. Hawai'i Pacific Health ranks among the top 3.8 percent of hospitals nationwide in electronic medical record adoption, with system-wide implementation that allows its hospitals to offer integrated, coordinated care throughout the state. Learn more at: <http://www.hawaiipacifichealth.org>

We are writing in strong support of SB 2067 Relating to Medicaid Eligibility which takes steps to solve the long term care problem by requiring the Department of Human Services to provide presumptive eligibility for Medicaid eligible patients who have been waitlisted for long-term care.

On any given day there are more than 250 patients in hospitals across Hawaii who have been treated and are now waiting to be transferred to a long term care facility but who must remain "waitlisted" in a hospital because long term care is not available. Discharge timeframes for waitlisted patients range from days to over a year. This represents a poor quality of life option for the patient, presents an often insurmountable dilemma for providers and patients, and creates a serious financial drain on acute care hospitals with ripple effects felt throughout other healthcare service sectors.

SB 2067 would establish a Medicaid presumptive eligibility process that is designed to reduce the period of time for determining whether a waitlisted patient qualifies for Medicaid. For financial reasons, Medicaid eligibility is required by many long term care facilities before certain types of patients are admitted. We ask that you pass SB 2067. Thank you for your time regarding this measure.



Affiliates of Hawai'i Pacific Health

Testimony of
Frank P. Richardson
Vice President and Regional Counsel

Before:
Senate Committee on Human Services
The Honorable Suzanne Chun Oakland, Chair
The Honorable Les Ihara, Jr., Vice Chair

January 28, 2010
1:50 pm
Conference Room 016

SB 2067 RELATING TO MEDICAID ELIGIBILITY (Presumptive Eligibility)

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on SB2067 that would require the Department of Human Services to provide presumptive eligibility to Medicaid eligible waitlisted patients, conduct a study of a computerized Medicaid application system, and report to the legislature.

Kaiser Permanente Hawaii supports this bill.

It has been reported that Hawaii hospitals have lost millions of dollars due to delays in discharging patients waitlisted for long term care. According to a report to the legislature by the Healthcare Association of Hawaii, there are on average 200, and sometimes more, patients waitlisted daily in acute care hospitals statewide awaiting placement to long term care beds.

Duration of these delays has ranged between several days to several months, and in some cases even more than a year. Contributing to these delays in many cases was the lengthy application, review and approval process for Medicaid eligibility for waitlisted patients.

Furthermore, each day that a waitlisted patient remains in an acute care hospital bed is another day that a bed is not available for an acute care patient in need of that bed.

Some, if not much, of this delay could be shortened by the presumptive eligibility measures proposed in this bill. For this reason, Kaiser Hawaii strongly supports this bill.

Thank you for the opportunity to comment.



THE QUEEN'S MEDICAL CENTER

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Senator Suzanne Chun Oakland, Chair
Senator Les Ihara, Jr., Vice Chair

Thursday, January 28, 2010, 1:50 p.m.
State Capitol, Conference Room 016
COMMITTEE ON HUMAN SERVICES

In Support of SB 2067 - Relating to Medicaid Eligibility

Chair Oakland, Vice Chair Ihara, and Members of the Committee:

My name is Christina Donkervoet. I am the Director of Care Coordination and Patient Flow at The Queen's Medical Center, the largest private tertiary care hospital in the State of Hawaii. On behalf of The Queen's Medical Center (QMC), I thank you for this opportunity to testify in support of this bill.

QMC is greatly impacted by the limited community resources available to serve people in need of community-based care. We agree with the Healthcare Association of Hawaii (HAH) that people on the waitlist often have a less-than-optimal quality of life, and their general health may be negatively impacted by a prolonged stay in an acute care hospital. When we treat these non-acute patients in the acute hospital bed, we are less able to respond to our community's needs for acute care services. Too often it happens that QMC Emergency Department goes on divert status because we simply do not have the bed capacity to admit patients needing hospitalization. In calendar year 2009, the average number of waitlisted patients in the hospital was 55. This inability to admit acutely ill patients impacts the health care system statewide, as we often serve as a higher level of care, transfer center for many of the hospitals in the state and throughout the Pacific.

As such, we support the language in this bill that provides for a presumptive eligibility process for the waitlisted patients. With the verification of a patient's annual income and the confirmation of waitlist status by the hospitals, HAH found the risk of implementation of this type of program is minimal. According to HAH's review of other states' presumptive eligibility processes, the error rate was 4%-6%. The potential gains of this program could be substantial. It would assist hospitals and community-based programs in admitting patients to long term care facilities and community services in a timelier manner, which would benefit the patient, and also free up needed acute care beds for acutely ill patients.

We respectfully request that you consider development of a presumptive eligibility process to ease some of the burden that is placed on acute care hospitals due to the limitations in our state Medicaid eligibility process. The fragility of the health care system across the state requires your prompt attention. The longer it takes for action, the more our system is weakened, and the greater the impact to the overall quality of life of our patients.

We recognize that the challenges facing our state healthcare system are complex and require multiple actions. This presumptive eligibility process is but one that will help assure quality health care while we build more community options for our aging population. Your favorable review of this bill is appreciated.

Thank you for the opportunity to submit written testimony.

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January 26, 2010

COMMITTEE ON HUMAN SERVICES
Senator Suzanne Chun-Oakland, Chair
Senator Les Ihara, Jr., Vice Chair
Thursday, January 28, 2010
TIME: 1:50 pm
Conference Room 016
State Capitol

Testimony in favor of SB 2067 RELATING TO MEDICAID ELIGIBILITY.
And
Testimony in favor of SB 2264 RELATING TO QUEST HEALTH CARE
PAYMENTS.

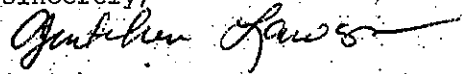
Good Morning Senators Chun-Oakland and Ihara. My name is Gretchen Lawson, I am the President/CEO of the Arc of Kona a private, charitable not-for profit organization on the big island supporting persons with disability. Most of this population relies on Medicaid for their medical needs and the population, in general, has difficulty understanding system requirements. By passing SB 2067, the legislature will provide a much needed improvement by assuming eligibility continues even if the under lying paperwork is not completed on time. Changes in a person's eligibility for Medicaid are very rare and it burdens the entire system when a person is dropped from the rolls and has to be reinstated. Thank you for approving this bill to pass from your committee with a positive recommendation.

I am also testifying on behalf of SB 2264 Restores adult dental care under QUEST.

Dental Health is extremely important for overall health of individual's. This measure that would requires the department of human services to restore this benefit would improve the entire system by potentially eliminating more costly emergency procedures attributed to poor dental health.

Thank you for your attention to these matters.

Sincerely,



Gretchen Lawson
President/CEO



carf
Commission on Accreditation
of Rehabilitation Facilities

The
ARC of Kona

www.arcofkona.org

"Expanding the Possibilities"
"Ho'o Nui Ka Hiki"