

HB326,HD1

Measure Title:	RELATING TO HEALTH.
Report Title:	QUEST Telehealth Services
Description:	Provides for telehealth services coverage for Medicaid and QUEST patients using Kona Hospital's medical van program. (HB326 HD1)
Companion:	
Package:	None
Current Referral:	HMS, WAM
Introducer(s):	HERKES



Hawai'i Primary Care Association

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

Testimony in Support of House Bill 326, HD 1

Relating to Health

Submitted by Beth Giesting, Chief Executive Officer

March 22, 2011, 1:45 p.m., Room 016

The Hawai'i Primary Care Association represents all community health centers of Hawaii. We support House Bill 326 HD1, which provides telehealth services coverage for Medicaid and QUEST patients using Kona Hospital's medical van program. Access to healthcare is a priority for our members and we support measures, programs, and policies that improve access to healthcare rather than limit it. Patients seen at the mobile van can be referred for follow up treatment, if necessary, to community health centers, thereby creating a seamless continuum of health care and reducing inappropriate use of emergency rooms. This continuum is an example of how a health care home works: expanding access, creating relationships between providers, improving the patient experience, and saving the system money.

To that extent we propose that the committee amend House Bill 326 HD1 to preserve its current language and add a Part II that adopts Senate Bill 1468 SD 1, previously heard and approved by this committee.

The language we propose establishes a **Medicaid Modernization and Innovation Council** to create a health care home pilot program within existing state Medicaid programs and perform other duties as directed by the Legislature.

A **patient-centered health care home** is not an actual structure, but a linked approach to providing health care that **improves the patient experience, improves health outcomes, and reduces per capita costs**. This model will transform the health care system from one that is reactive and costly to one that is proactive and efficient. According to the Patient Centered Primary Care Collaborative, "Investing in primary care patient centered medical homes results in improved quality of care and patient experiences, and reductions in expensive hospital and emergency department utilization."

Nearly 40 states have implemented some form of patient-centered health care home model (also known as medical home). All of these showed a level of improvement in care, cost, or both. Some of the notable examples include:

- Group Health Cooperative of Puget Sound reduced costs by \$10 per person per month. **Potential Hawai'i savings for Medicaid: \$32 million per year.**
- Intermountain Healthcare Medical Group Care Management reduced costs by \$640 per patient per year. **Potential Hawai'i savings for Medicaid: \$169 million per year.**
- Colorado Medicaid and SCHIP reduced costs by \$215 per child per year. **Potential savings in Hawai'i Medicaid/SCHIP: \$28 million per year.**

In Hawaii, the following organizations are involved in some form of patient-centered health care/medical home program:

- Kaiser Permanente
- HMSA
- Hawai'i Pacific Health
- Hawai'i Independent Physicians Association
- Bay Clinic
- Hāmākua Health Center
- Wai'anae Coast Comprehensive Community Health Center
- Kalihi-Palama Health Center
- Waimanalo Community Health Center
- West Hawai'i Community Health Center
- AlohaCare

As private physicians and health plans transform their health care delivery systems into health/medical homes, it makes sense for the State to work with consumers, providers, and plans to explore the same path for Medicaid. **Physicians and health care professionals will not want to implement multiple versions of health/medical homes for their patients:** one model for privately insured patients, another for Medicaid enrollees. In addition to the significant cost savings in Medicaid that could be achieved with the implementation of a health home model, the timing to look at the model now is sensible.

The Affordable Care Act of 2010 provides financial resources for programs and states to implement patient-centered models of care:

- Eight state demonstration projects coordinating care and payment from Medicare, Medicaid, and private health plans;
- The Advanced Primary Care Practice Demonstration for Medicare patients at community health centers;
- State demonstrations to integrate care for dual eligible (Medicare and Medicaid) individuals;
- A health home option for Medicaid enrollees that provides a 90% FMAP (federal match) for covered services during the first 8 fiscal quarters of the program.

Under the Affordable Care Act, the Centers for Medicare & Medicaid Services (CMS) were directed to formally establish a new Center for Medicare and Medicaid Innovation (Innovation Center). The Innovation Center will explore innovations in health care delivery and payment that will enhance the quality of care for Medicare and Medicaid beneficiaries, improve the health of the population, and lower costs through quality improvement.

Creating a Hawai'i council to focus on innovation in our local Medicaid issues is a natural complement to the national efforts of the Innovation Center, and key to transformation of the Medicaid system. Modernization of our Medicaid program cannot be done in a vacuum by government: **consumer, insurer, community and provider input must be incorporated**, and the Council provides a comprehensive, fact-based forum for that input.

The Council could also function as a multipurpose entity, addressing numerous Medicaid modernization issues and innovation concepts including: patient centered health home, information technology, eligibility systems, the Hawai'i health insurance exchange role in Medicaid eligibility and enrollment, and health care for COFA migrants.

In closing, we stress the need for a comprehensive transformation of Hawai'i's Medicaid system that improves quality health care, supports living well, and is cost effective. This kind of innovation does not come easy. In

many respects, it is easier to cut benefits, reduce eligibility, and require the use of generic drugs for Medicaid enrollees. However, unless we fundamentally reform the direction of Medicaid, program costs will still rage out of control and, more importantly, the health of people could be negatively affected, driving costs higher still.

We ask you to support House Bill 326 House Draft 1 with our proposed amendments. Thank you for your consideration and the opportunity to testify.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

March 22, 2011

The Honorable Suzanne Chun Oakland, Chair
The Honorable Les Ihara, Vice Chair
Senate Committee on Human Services

Re: HB 326 HD1 – Relating to Health

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

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of HB 326 HD1 which would authorize the Department of Human Services (DHS) to allow QUEST-eligible individuals to access telehealth services. HMSA supports this measure.

The Legislature authorized \$350,000 in Act 162, SLH 2009, for the purchase of a mobile medical van for services to the South Kona, Ka'u, and upper Puna areas of Hawaii Island, and Kona Hospital is just about to acquire the vehicle.

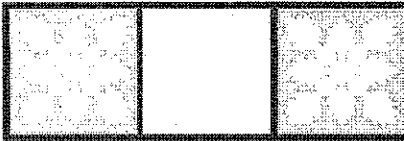
In 2010, the Legislature passed S.B. 2491, SD2, HD1, CD1, which would have authorized telehealth services under the Department of Human Services' Medicaid or QUEST program. However, the Governor vetoed that message indicating that federal funding was not authorized for that purpose, and State General Funds also were not appropriated for the medical van services. This Bill addresses the Governor's concerns by acknowledging the efforts of the Hospital to secure non-governmental funding for the operations of the van. Kona Hospital worked with HMSA, and we will be financing a two-year pilot medical van program. HMSA recognizes Hawaii Island's unique demographics – a population widely dispersed over a large geographic area – making a mobile medical van an ideal service.

In addition, we have been discussing this project with DHS and will continue working with them. Thank you for the opportunity to testify. Again, HMSA is pleased to support this Bill.

Sincerely,

A handwritten signature in black ink, appearing to read 'JD' followed by a long horizontal stroke.

Jennifer Diesman
Vice President
Government Relations



Hawaii Association of Health Plans

March 22, 2011

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

Re: HB 326 HD1 – Relating to Health

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

My name is Howard Lee and I am President of the Hawaii Association of Health Plans (“HAHP”). HAHP is a non-profit organization consisting of eight (8) member organizations:

AlohaCare	Kaiser Permanente
Hawaii Medical Assurance Association	MDX Hawai‘i
HMSA	University Health Alliance
Hawaii-Western Management Group, Inc.	UnitedHealthcare

Our mission is to promote initiatives aimed at improving the overall health of Hawaii. We are also active participants in the legislative process. Before providing any testimony at a Legislative hearing, all HAHP member organizations must be in unanimous agreement of the statement or position.

HAHP appreciates the opportunity to testify in support of HB 326 HD1 which would provide for QUEST members to receive telehealth services through a medical van in Kona.

HAHP membership includes health plans which contract with the state to provide QUEST services. The Big Island of Hawaii’s geography and sparsely distributed population may translate into barriers to care for some. Bringing access to medical care to the neediest of populations via a mobile medical van makes sense to assist in improving the overall health of rural underserved populations. We would respectfully request the Committees see fit to pass this measure today. Thank you for the opportunity to provide testimony.

Sincerely,

Howard Lee
President

• AlohaCare • HMAA • HMSA • HWMG • Kaiser Permanente • MDX Hawaii • UHA • UnitedHealthcare •
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