

NEIL ABERCROMBIE
GOVERNOR



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March 31, 2011

MEMORANDUM

TO: Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 285, S.D. 2, H.D. 1 – RELATING TO HEALTH**

Hearing: Thursday, March 31, 2011, 4:00 p.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of this bill is to provide telehealth services coverage for Medicaid and QUEST patients through an eligible mobile health van operated by a qualified provider.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill to pilot a mobile van program in an attempt to expand access to care, but DHS believes that this bill could be improved to include an evaluation of its safety and effectiveness.

DHS does appreciate the improvements to the bill to reduce fragmentation of care by supporting the role of the primary care provider. The changes foster a safer use of telehealth while facilitating increase in appropriate utilization by allowing unlimited access to one's primary care provider and access to specialist consult with a referral from the primary care provider. These are the same managed care principles and consistent with the health home model that are applied throughout our programs.

Any and all analysis of the data from this pilot should be transparent and shared with the legislature as well as DHS to evaluate whether to end, continue, or expand the pilot. Such reporting should include:

1. Online Care utilization:
 - a. Day and time of day.
 - b. Provider types consulted.
 - c. Whether patient had an established relationship with the provider, including whether the provider was the patient's primary care provider.
 - d. Summary of provider diagnoses.
 - e. All services ordered by the provider in response to the encounter, e.g. number of prescriptions and specific medications prescribed, diagnostic testing ordered, and referrals.
 - f. Mode of the Online Care conversation, e.g. Web (includes video conferencing and web chat) or IVR (phone).
 - g. Demographic of the patient who used the Online Care.
2. Patient and provider satisfaction of the Online Care system and patient satisfaction rating of the provider

While DHS is willing and would hope that a memorandum of understanding between DHS and a non-profit mutual benefit society that achieves the goals of this version of the bill could be achieved and obviate the need for this bill, that has not yet occurred.

DHS supports the use of telemedicine that has been demonstrated to be safe and effective. DHS also understands, however, the need to improve access to care and to pilot innovative ideas and technologies with potential for improving quality and efficiency. The key is striking a balance, and an evaluation component would increase the value of the pilot.

Thank you for this opportunity to provide testimony.



Hawaii Association of Health Plans

March 31, 2011

The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair

House Committee on Finance

Re: SB 285 SD2 HD1 – Relating to Health

Dear Chair Oshiro, Vice Chair Lee, 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
Hawaii Medical Assurance Association
HMSA
Hawaii-Western Management Group, Inc.

Kaiser Permanente
MDX Hawai‘i
University Health Alliance
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 SB 285 SD2 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 Committee 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 •
• HAHP c/o Howard Lee, UHA, 700 Bishop Street, Suite 300 Honolulu 96813
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HMSA



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March 31, 2011

The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Chair

House Committee on Finance

Re: SB 285 SD2, HD1 – Relating to Health

Dear Chair Oshiro, Vice Chair Lee, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 285 SD2, HD1 which would authorize the Department of Human Services (DHS) to allow QUEST-eligible individuals to access telehealth services. This Bill is the companion measure to HB 326, which this Committee previously considered, and the House passed over to the Senate. HMSA supports this measure but with a recommended amendment.

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 in the process of procuring the van. This Bill is an attempt to ensure the efforts of the Hospital to secure non-governmental funding for the operations of the van and to allow for QUEST-eligible individuals to access those services. HMSA will be assisting Kona Hospital with a two-year pilot program to help finance the operations of the medical van program. HMSA recognizes Hawaii Island's unique demographics – a population widely dispersed over a large geographic area – making a mobile medical van a potentially ideal service.

We ask that the Bill be further amended to restore language from a slightly amended version of HB 326, HD1. (A copy of the proposed amendment is attached.) We believe that language more appropriately reflects the intent of the pilot program to serve as wide a segment of the Kona-Kau community as possible. In addition, it reinforces our commitment to assist with the financing of the pilot program, while also addressing the concern of the prior committees that this law be applicable to similar programs outside of Kona community.

Supporting these kinds of telehealth services gained national attention when President Barack Obama included the goal of making "it possible for business to deploy the next generation of high-speed wireless coverage to 98 percent of all Americans" in his State of the Union address. One of the examples he provided regarding this was to ensure the ability of patients to "have face-to-face video chats" with their physicians. Thank you for the opportunity to testify. Again, HMSA is pleased to support this Bill with the suggested amendments.

Sincerely,

Jennifer Diesman
Vice President, Government Relations
Attachment

Suggested Amendment to Section 2 of SB 326, SD2, HD1

SECTION 2. Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"Sec. 346- Telehealth services; medicaid and QUEST.

(a) The department shall not require:

(1) The department's approval for a health plan under the department's medicaid or QUEST program to deliver services using a telehealth service; or

(2) In-person visits to qualify any telehealth service for coverage under the department's medicaid or QUEST program.

This section shall apply only to a mobile medical van program operating in a county with a population of less than two hundred fifty thousand persons, to include a program operated by Kona community hospital through a partnership with a non-profit mutual benefit society operating in the State that provides health care coverage to at least six hundred thousand members.

(b) An eligible mobile health van program shall be operated by a qualified provider.

(c) For the purposes of this section, "telehealth" means the use of telecommunications services, as defined in section 269-1, including real-time video conferencing-based communication, secure interactive and non-interactive web-based communication, and secure asynchronous information exchange, to transmit patient medical information, including diagnostic-quality digital images and laboratory results for medical interpretation and diagnosis, for the purpose of delivering enhanced health care services and information to parties separated by distance. A standard telephone contact, facsimile transmission, or an email text, in combination or by itself, does not constitute a telehealth service for the purposes of this section."



KONA
COMMUNITY HOSPITAL
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HOUSE COMMITTEE ON FINANCE
Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair

Thursday, March 31, 2011
4:00 p.m.
Conference Room 308

SB285, SD2 HD1 RELATING TO HEALTH. Provides for tele-health services coverage for Medicaid and QUEST patients through an eligible mobile health van operated by a qualified provider.

Testimony of Dean Herzog
Chief Financial Officer
HHSC West Hawaii Region

Chair Marcus Oshiro Oshiro and members of the House Finance Committee: Kona Community Hospital appreciates the opportunity to testify in strong support of SB 285 SD2, HD1, which would provide for coverage of tele-health services for Medicaid and QUEST members receiving services through an eligible mobile health van operated by a qualified provider.

The HHSC West Hawaii region is currently undergoing a leadership transition. With that said, we have reviewed the program and understand its importance to our community. We have concluded that we should continue to be fully supportive of tele-health services coverage for Medicaid and QUEST patients due to the extreme challenges our rural communities face.

We believe that although the mobile van will significantly improve physical access to rural areas of the Big Island, incorporating tele-health services will increase timely and efficient virtual access to information that can be incorporated into the medical van's delivery of services. In addition, confidential exchange of information would be ensured.

A large population of our community receives health care coverage through Medicaid and QUEST. If tele-health services were denied to these patients, access to tele-health services will likely lessen the impact to these patients.

We appreciate the Committee hearing this measure today and would respectfully request you see fit to pass it. Thank you for the opportunity to testify.

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