

NEIL ABERCROMBIE  
GOVERNOR



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**LATE**

February 25, 2011

MEMORANDUM

TO: Honorable David Ige, Chair  
Senate Committee on Ways and Means

FROM: Patricia McManaman, Interim Director

SUBJECT: **S.B. 285, S.D.1 – RELATING TO TELEHEALTH**

Hearing: Friday, February 25, 2011, 9:00 a.m.  
Conference Room 211, State Capitol

PURPOSE: The purpose of this bill is to provide telehealth services coverage for Medicaid and QUEST patients using Kona Hospital's medical van program.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of this bill to provide telehealth services coverage but cannot support amending chapter 346, Hawaii Revised Statutes to establish a pilot program. This bill will also limit the program to only the mobile van operated by the Kona Community Hospital.

Section 2 (b) states that the pilot will be jointly funded by Kona community hospital and a non-profit mutual benefit society. If the pilot serves individuals regardless of insurance and does not bill insurers, then DHS has no role regarding Medicaid oversight, and this legislation is unnecessary.

If the pilot serves all individuals regardless of insurance and bills insurers, or is available only to all Medicaid recipients and bills their Medicaid health plan, then DHS has an important role and certain requirements must be met to receive matching federal funds. In this case, subsection 2 (a) should be amended to reflect the need to comply with federal regulations.

The intent of this bill is to modify an existing Medicaid benefit but would be limited to only Medicaid recipients on one island of the State. If the benefit is to be available to Medicaid recipients in only one health plan, it would not be eligible for federal matching funds. However, a health plan could, on their own provide this service to its members to improve quality and decrease expenditures, much like a care management program, which could receive DHS approval without additional compensation to the health plan and would render this legislation unnecessary.

The operating on one island might be addressed to not preclude federal matching funds by deleting the last sentence of subsection (a) (3) and replacing subsection (b) with "An eligible mobile health van program shall be operated by a public hospital."

For a specialty consultation to be covered, the provider may need to be in a health plan's network. Subsection 2 (a) (2) should be revised to read, for example "Access to specialist care as ~~authorized~~ referred by an individual's primary care physician and receiving health plan authorization as necessary; and".

Lastly, a Medicaid state plan amendment (SPA) may be necessary if Medicaid reimbursement is sought to help fund the pilot as federal funding cannot be received until the SPA receives federal approval. An effective date of the act prior to federal approval, if needed, would result in state-only funding for the service during that period.

DHS respectfully recommends that if this pilot program is enacted that it be in a Session Law that does not amend chapter 346, Hawaii Revised Statutes, and that clarifying language be included to ensure the receipt of federal funding if applicable. DHS appreciates the revisions to this bill that have already occurred to improve patient safety and quality of care.

Thank you for this opportunity to provide testimony.

**LATE**

February 24, 2011

To Whom It May Concern,

I am a concerned parent who currently has a child who attended the Leeward Families for R.E.A.L. class. I sincerely hope that SB 289 will be passed for future funding.

The Families for R.E.A.L. class we attended was Therapy for my son. My son, Ethan, has a Sensory Processing Disorder. This Disorder affects almost every area of Ethan's life. Ethan is only 22 months old.

Ethan's Occupational Therapist highly recommended he attend Families for R.E.A.L. class. Ethan has responded wonderfully to his Toddler 1 class. Not only has it given him a chance to play with other kids, but also more importantly it has helped him get used to being around several adults in a small confined area. I also benefited personally from the class. It has given me a chance to learn from other parents as well as from our two wonderful teachers. The class has given me the opportunity to do things with Ethan that I never would have been able to on my own.

I hope that I can convince you to do all that you can to support Families for R.E.A.L. I know that this program has helped our family tremendously and I hope it can continue to help other families who are in difficult circumstances like our family.

Thank you so much for your time and support.

Sincerely,

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