



SENATE COMMITTEE ON HUMAN SERVICES
Sen. Suzanne Chun Oakland, Chair

Conference Room 016
Feb. 1, 2011 at 1:30 p.m.

Supporting SB 788.

The Healthcare Association of Hawaii advocates for 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 788, 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 150 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.

The Healthcare Association has advocated for solutions to the waitlist problem since 2007, when it sponsored SCR 198, which directed the Association to study the problem and propose solutions. The Association subsequently created a task force for that purpose, which studied the problem, wrote a report, and submitted it to the Legislature. However, the Legislature has not yet taken action on it.

Since then the Association has advocated for measures that have been 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.

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. Long term care facilities can provide appropriate care to waitlisted patients, but payments should be set at levels that at least cover the costs of care.

SB 788 creates a Medicaid presumptive eligibility process for patients who are waitlisted in hospitals in order to hasten their transfer to long term care. The bill also begins the process of developing a long-term solution to processing Medicaid applications by requiring DHS to conduct a study of a computerized system. In conjunction with this bill, the Healthcare Association is sponsoring SB 787, which increases Medicaid payments to hospitals for waitlisted patients and increases Medicaid payments to long term care facilities to care for waitlisted patients with complex medical conditions.

For the foregoing reasons, the Healthcare Association supports SB 788.

Testimony of
John M. Kirimitsu
Legal & Government Relations Consultant

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

February 1, 2011
1:30 pm
Conference Room 016

Re: SB 788 Relating to Health

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on SB 788 creating a presumptive eligibility for Medicaid eligible waitlisted patients.

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, the Medicaid eligibility and re-eligibility application process in Hawaii is unable to handle the current volume.

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 supports this bill.

Thank you for the opportunity to comment.



THE QUEEN'S MEDICAL CENTER

1301 Punchbowl Street • Honolulu, Hawaii 96813 • Phone (808) 538-9011 • Fax: (808) 547-4646

Senator Suzanne Chun Oakland, Chair
Senator Les Ihara, Jr., Vice Chair
COMMITTEE ON HUMAN SERVICES

February 1, 2011 – 1:30 p.m.
State Capitol, Conference Room 016

In Strong Support of SB 788, Relating to Health

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

My name is Christina Donkervoet, Director of Care Coordination and Patient Flow at The Queen's Medical Center (QMC), testifying in strong support of SB 788, which creates presumptive Medicaid eligibility for waitlisted patients.

We have testified on this bill in previous years, and again submit testimony in strong support this year, because QMC continues to be greatly impacted by the limited community resources available to serve people in need of long-term care. There are many patients who remain at Queen's well beyond their acute inpatient medical stay, but who are unable to be discharged because the necessary community resources are not available. These patients may remain at Queen's for a matter of days, weeks, or months and in some cases over a year pending the arrangement of needed community services.

Our Emergency Department, the busiest in the State, is sometimes forced to go on divert status because we simply do not have the bed capacity to admit patients needing hospitalization. We are often unable to accept patient transfers from hospitals across the state and the Pacific due to patients remaining in hospital beds waiting for long-term care services. This inability to admit acutely ill patients impacts not only QMC, but the health care system state-wide.

A presumptive eligibility process will remove one of the barriers hospitals face when trying to discharge patients to long term facilities. We respectfully ask that you consider development of a presumptive eligibility process to ease some of the burden that is placed on hospitals due to the limitations in our state Medicaid eligibility process.

Thank you for the opportunity to testify.

Jan 31, 2011

Senator Suzanne Chun Oakland
State Capitol, Room 226
415 South Beretania Street
Honolulu, HI 96813

Dear Senator Chun Oakland,

Thank you for this opportunity to share my thoughts in support of SB 788, 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 150 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.

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. Long term care facilities can provide appropriate care to waitlisted patients, but payments should be set at levels that at least cover the costs of care.

SB 788 creates a Medicaid presumptive eligibility process for patients who are waitlisted in hospitals in order to hasten their transfer to long term care. The bill also begins the process of developing a long-term solution to processing Medicaid applications by requiring DHS to conduct a study of a computerized system. In conjunction with this bill, the Healthcare Association is sponsoring SB 787, which increases Medicaid payments to hospitals for waitlisted patients and increases Medicaid payments to long term care facilities to care for waitlisted patients with complex medical conditions.

For the foregoing reasons, I support SB 788.

Sincerely,

Mr. Kevin Roberts
640 Ulukahiki St
Kailua, HI 96734-4454