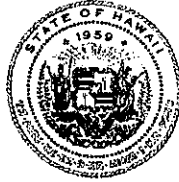


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GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.
INTERIM DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

House Committee on Health

SB0797 SD1, MAKING AN APPROPRIATION FOR HEALTH INFORMATION TECHNOLOGY

Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Interim Director of Health

March 18, 2011

1 **Department's Position:** The department strongly supports SB797 SD1.

2 **Fiscal Implications:** General funds appropriations ranging from \$150,000 to \$300,000, depending on
3 unspecified future Meaningful Use criteria

4 **Purpose and Justification:** The Health Information Technology for Economic and Clinical Health
5 (HITECH), funded through the American Recovery and Reinvestment Act, presents a once in a
6 generation opportunity for the Department of Health to make a leap forward in its health information
7 technology infrastructure. Specifically, the federal matches provided by the State Health Information
8 Exchange Cooperative Agreement, ranging from a 1:10 match in FY11, 1:7 match in FY12, and 1:3
9 match in FY13, are absolutely essential in meeting the mandatory Meaningful Use standards set forth by
10 the federal government.

11

12 Unlike most other states, Hawaii does not have county-level health departments, so the Department of
13 Health is an indispensable player in the health information environment in Hawaii, both as a consumer
14 of data for public health purposes, producer of data as a service delivery provider, and conduit to federal

1 programs and resources. This unique position also brings with it a responsibility for leadership in
2 ensuring the public good is met and resources are equitable.

3
4 A sufficient appropriation provided by this bill will permit the Department of Health to move beyond the
5 consultative role it has played the last two years when resources were placed out of reach, into one of
6 fuller engagement with stakeholders. For example, it has been difficult insisting that Meaningful Use
7 standards for public health surveillance be met by private sector stakeholders as the department itself
8 struggled. Funds may also allow the establishment of the grant-required State Health Information
9 Technology Coordinator, who will align public and private HIT activities for the greatest good.

10
11 The consequences of non-compliance as the rest of the country moves on to new standards of operability
12 and interchange will be measured in dollars and cents as well as life and death: lost opportunities for
13 future federal funds and program participation, diminished public health response to crises such as
14 pandemics, and weakened coordination and advocacy for critical health issues ranging from childhood
15 immunizations to healthcare acquired infections.

16
17 HITECH will transform Hawaii's health information technology landscape into part of the public
18 infrastructure as vital as highways and harbors, and through its systems it will carry artifacts of an
19 economic sector as valuable as those in trucks and barges. The Department respectfully urges the
20 Legislature to approve this critical investment and maximize Hawaii's fair share of HITECH federal
21 matching dollars.

HAWAII SUBSTANCE ABUSE COALITION

Topic: SB 797 Making An Appropriation for Health Information Technology

To: COMMITTEE ON HEALTH: Representative Ryan Yamane, Chair; Representative Dee Morikawa, Vice Chair

When: March 18th, 2011, Friday, at 9:30 am

Place: Conference Room 329

Aloha Chair Yamane, Vice Chair Morikawa and Distinguished members. My name is Alan Johnson and I am the Chairperson of the Hawaii Substance Abuse Coalition, a hui of about 20 alcohol and substance abuse treatment agencies in Hawai'i.

HSAC Strongly Supports SB797

Summary:

Opportunities for 90% matching Federal grants and assistance for the design and development of Federal mandated changes to the Health Information Technology systems are available this year. These grants are an incentive to make the changes this year as the match greatly decreases each year despite that the Federal HIT guidelines must be met by law by end of 2014. Given that federal assistance is limited to only a few years for support and all changes must be completed before 2015, a minimum of \$250,000 is needed to cover the state match for those federal grants to support IT changes to state's behavioral health systems.

The Federal government predicts that 80% of all treatment agencies will not survive healthcare reform infrastructure changes unless the State's health information technology (HIT) is updated to meet Federal standards for health delivery systems. To help State's upgrade their systems, Federal grants are available starting in the next few months.

Explanation:

A notice from Federal grant sources has been published that proposes that those state systems, such as DOH: Alcohol and Drug Abuse Division (ADAD) that could be modified for Medicaid eligibility and/or for integration with primary care systems, will potentially be eligible for an enhanced federal matching rate of 90% for design and development of new systems and a 75% federal matching rate for maintenance and operations. Since the necessary infrastructure and expertise to support the effective use of health information technology is lacking in nearly every community in the United States, and particularly among behavioral health providers, this funding would enable ADAD to be prepared for Healthcare Reform systems changes.

While the state exchange grants will provide 100 percent support for exchange IT infrastructure, this 90% matching rate will be available for the exchange-related Medicaid

eligibility system changes as well as for those Medicaid system changes not directly related to the exchanges.

These grants will maximize the impact of our State's resources on areas of urgency and opportunity. Hawaii would be able to shift our programs and state funding infrastructures to adapt to the shifting policy landscape resulting from the Affordable Care Act and Parity. Finally, the grants ensure that Hawaii's behavioral health provider network, including prevention specialists and consumer providers, fully participates with the general health care delivery system in the adoption of Health Information Technology (HIT).

However, to stay in business, safety-net behavioral health agencies (providers who deliver behavioral health care services for uninsured, Medicaid, and other vulnerable populations) must automate clinical records.

The primary role of the Federal funding agency: *Substance Abuse Mental Health Services Administration's* (SAMHSA) HIT effort is to support the behavioral health aspects of Electronic Health Records (EHR) based on the standards and systems promoted by the Office of the National Coordinator for Health (ONC) and is coordinating many different activities into a coherent HIT strategy. The goal is to ensure that the behavioral health provider network participates with the general health care delivery system in the adoption of health information technology, including electronic health records. SAMHSA is providing leadership to the behavioral health community and will align HIT activities in order to participate in health care reform and the integration of behavioral and primary health care.

Conclusion:

To stay in business, safety-net behavioral health agencies (providers who deliver behavioral health care services for uninsured, Medicaid, and other vulnerable populations) must automate clinical records according to Federal standards that meet healthcare reform and parity objectives. Federal grants at 90% funding are available for a short time.

Those states who are active today will reap the benefits of Federal assistance and those states who delay will have to pay for upgrades at their own cost.

We appreciate the opportunity to provide information and are available for questions, if needed.



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Linda bond
General

James Knaggs
Territorial Commander

Edward Hill
Divisional Commander

Lawrence Williams
Executive Director

The Salvation Army

Addiction Treatment Services

Topic: SB797 SD1 Making An Appropriation for Health Information Technology

To: COMMITTEE ON HEALTH: Senator Josh Green, M.D., Chair
Senator Clarence Nishihara, Vice-Chair

When: March 18, 2011 Friday at 9:30 am

Place: Conference Room 329

WRITTEN TESTIMONY IN SUPPORT OF SB797 SD1

My name is Larry Williams, executive director of The Salvation Army Addiction Treatment Services, which provides a comprehensive continuum of substance abuse treatment services for more than 1,200 adults annually.

The Salvation Army ATS strongly supports passage of Senate Bill No. 797.

The Hawaii Department of Health urgently needs to upgrade its behavioral health information technology system in order to comply with new federal standards for health delivery systems as mandated by the federal health care reform act and to ensure that behavioral health and other health specialty areas locally will be able to comply and interface with the general health care delivery system for billing and data purposes. Failure to do so will cost the State many millions of dollars in future lost funding for behavioral health treatment services.

Federal grants are available this year to cover 90% of the cost for the design and development of Hawaii's needed health information technology system. Timeliness of grant submission is important because the matching share percentage increases substantially after this year. Passage of Senate Bill No. 797 SD1 is needed this session to provide funding to cover the cost of the Department's ten percent matching share.

Therefore, I respectfully request that the **Senate Committee on Health support SB797 SD1 by passing it out of committee.**

Thank you for your consideration regarding this important need.

Participating Agency



Aloha United Way

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Visit us at: www.SalvationArmyHawaii.org