

MAR 12 2012

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## SENATE RESOLUTION

REQUESTING THE DEPARTMENT OF HUMAN SERVICES AND THE DEPARTMENT OF HEALTH TO DEVELOP A PILOT DEMONSTRATION PROGRAM FOCUSED ON THE TOP FIVE PERCENT OF MEDICAID BENEFICIARIES WHOSE CARE NEEDS ACCOUNT FOR A SIGNIFICANT PORTION OF MEDICAID EXPENDITURES IN THE STATE.

1           WHEREAS, a small proportion of the total population in the  
2 United States accounts for half of all medical spending in the  
3 country -- according to a report by the federal Agency for  
4 Healthcare Research and Quality, five percent of the United  
5 States population that spent the most on health care accounted  
6 for forty-nine percent of total health care spending; and

7  
8           WHEREAS, according to the same report, the fifteen most  
9 expensive health conditions in the United States account for  
10 forty-four percent of total health care spending, and expenses  
11 for individuals with five or more chronic conditions are  
12 approximately fourteen times greater than spending for  
13 individuals without any chronic conditions; and

14  
15           WHEREAS, potentially avoidable costs are considered to be  
16 the result of care defects, or health problems resulting in  
17 technical care under the professionals' control which could have  
18 been avoided by following best professional standards, and these  
19 potentially avoidable costs account for twenty-two percent of  
20 all private-sector health care expenditures in the United  
21 States; and

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23           WHEREAS, information from health care claims, hospital  
24 records, and emergency service providers can help identify high  
25 cost beneficiaries for coordinated outpatient and social  
26 services; and

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28           WHEREAS, a high level of outpatient care includes  
29 strengthening relationships with patients; a comprehensive team  
30 of providers, nurse practitioners, social workers, community  
31 workers, and emergency department personnel; and connections to  
32 social services such as housing, home visits, and meals; and  
33



1 WHEREAS, a Medicare demonstration project designed to  
 2 improve coordination of care for the most chronically expensive  
 3 patients at a Boston, Massachusetts, hospital resulted in  
 4 hospital stays and emergency room visits dropping by more than  
 5 fifteen percent; and

6  
 7 WHEREAS, care management programs that focus on  
 8 coordination of care for the most chronically expensive  
 9 beneficiaries can incentivize and reward unrelated providers in  
 10 a fee-for-service environment, reduce potentially avoidable  
 11 costs due to care defects, reduce emergency room admissions, and  
 12 create better health outcomes and cost savings; now, therefore,

13  
 14 BE IT RESOLVED by the Senate of the Twenty-sixth  
 15 Legislature of the State of Hawaii, Regular Session of 2012,  
 16 that the Department of Human Services and the Department of  
 17 Health are requested to develop a two-year pilot demonstration  
 18 program that is focused on the top five percent of Medicaid  
 19 beneficiaries whose care needs account for a significant portion  
 20 of Medicaid expenditures in the State; and

21  
 22 BE IT FURTHER RESOLVED that the pilot demonstration program  
 23 coordinate services to the highest need, highest cost Medicaid  
 24 beneficiaries; include an outpatient care component with  
 25 comprehensive health care and social services; and identify  
 26 methods of reducing potentially avoidable costs due to care  
 27 defects and emergency room admissions; and

28  
 29 BE IT FURTHER RESOLVED that the Department of Human  
 30 Services and the Department of Health are requested to report on  
 31 the status of the pilot demonstration program no later than  
 32 twenty days prior to the convening of the Regular Session of  
 33 2014; and

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 35 BE IT FURTHER RESOLVED that certified copies of this  
 36 Resolution be transmitted to the Director of Human Services and  
 37 the Director of Health.

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 39  
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OFFERED BY:

*Malama Pua*  
*Yiung Kulea*  
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