



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 1, 2011

MEMORANDUM

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

FROM: Patricia McManaman, Interim Director

SUBJECT: **H.B. 326, H.D. 1 – RELATING TO HEALTH**

Hearing: Tuesday, March 1, 2011, 3:00 p.m.
Conference Room 308, State Capitol

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

DEPARTMENT'S POSITION: The Department of Human Services (DHS) opposes this bill regarding telehealth services for Medicaid and QUEST health plan patients. Although DHS supports the use of information technology to improve access to health care services, DHS opposes this bill that potentially jeopardizes patient safety and exploits a low-income vulnerable population. Also, DHS does not support amending chapter 346, Hawaii Revised Statutes to establish a pilot program as this bill proposes.

Any service provided by a contracted health plan that has not been authorized by DHS will not be reimbursed. Any service not approved by the federal Centers for Medicare and Medicaid Services will not be eligible for federal funding. This bill would

mandate a new service that would be state-only funded, and would require a new appropriation.

The provisions for telehealth in this bill eliminate DHS authority for oversight of an emerging technology. As with any new technology there are risks and benefits, and DHS has the responsibility to ensure the safety of its recipients. It is critical for DHS to be able to review scientific evidence in order to make informed decisions about patient safety.

Telemedicine does have an important and growing role, when done in a safe and coordinated manner. A report by the federal Agency for Healthcare Research and Quality found that "studies of office/hospital-based telemedicine suggest that telemedicine is most effective for verbal interactions, e.g., videoconferencing for diagnosis and treatment in specialties like neurology and psychiatry." DHS has an on-going telepsychiatry program through the University of Hawaii's John A. Burns School of Medicine Department of Psychiatry. DHS requires an initial face-to-face visit and then on-going care occurs remotely. Requiring an initial face-to-face visit is important to establish the provider-patient relationship for on-going care.

DHS supports the use of telemedicine that has been demonstrated to be safe and effective, and we are quite willing to review data on safety, effectiveness, and cost-effectiveness for any new telemedicine technology. To date no data that demonstrate the safety and effectiveness of a new telemedicine technology have been shared with DHS.

Through QUEST and QUEST Expanded Access, DHS medical assistance programs adhere to the concept of managed or coordinated care. The value of a primary care provider has been repeatedly demonstrated. An individual's direct consumption of healthcare resources outside of the primary care provider hampers efforts to coordinate care and instead further fragments healthcare. However, telemedicine in the context of managed or coordinated care, such as through a medical home, can augment care.

We should not be increasing access to harm and spending general funds during a budget shortfall to do so. Although telemedicine can improve access, it is important that safety and quality should not be compromised. The quality of healthcare that can be provided is substantially limited in the absence of an established patient-provider relationship and without having clinical information including progress notes, laboratory data, and the ability to perform a physical examination. Given patient expectations and providers potentially being evaluated, there is a risk for increased prescribing and thereby an increased risk for adverse drug events. Unmanaged telemedicine could also increase inappropriate utilization and increase costs without improving outcomes.

This bill would modify an existing Medicaid benefit that 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.

DHS would be interested in pursuing the role of telemedicine to communicate with an individual's primary care provider or for a scheduled remoted consultation when referred by the primary care provider. These provisions would help ensure patient safety. Removing DHS' responsibility for ensuring patient safety as would occur under this bill is dangerous.

Thank you for this opportunity to provide testimony.



**The House Committee on Finance
Representative Marcus Oshiro, Chair
Representative Marilyn Lee, Vice Chair**

**Tuesday, March 1, 2011
3:00 p.m.
Conference Room 308**

HB 326 HD1 -RELATING TO HEALTH. Provides for telehealth services coverage for Medicaid and QUEST patients using Kona Hospital's medical van program.

**Testimony of Kathryn Harter
Interim President and Chief Executive Officer
HHSC West Hawaii Region**

Chair Marcus Oshiro, Kona Community Hospital appreciates the opportunity to testify in strong support of HB 326, HD1, which would provide for coverage of telehealth services for Medicaid and QUEST members receiving services using Kona Hospital's mobile medical van.

As you are aware, access to appropriate health care, especially in rural areas of Hawaii can be challenging. This is an issue that is not specific to our state but a nationwide problem. When examining Hawaii's rural areas, the Big Island of Hawaii presents extreme challenges when it comes to providing equitable access to care including the fact that:

- The Big Island of Hawaii represents over 65% of all the land mass in the State of Hawaii, making it by far the largest geographic region of the State; and
- The Big Island also has the lowest population density in the State

Recognizing the issues facing the Big Island, Kona Community Hospital, in conjunction with the Hawaii Medical Service Association (HMSA), has been working to address access to medical care given the island's unique geography and demographic distribution. A mobile medical van, to be managed by the Kona Community Hospital, is being procured using \$350,000 previously appropriated by the Legislature. And, HMSA has committed to help financing two years of operational costs.

We believe the potential for the mobile medical van to make a difference is great and not only will it improve access to quality health care services to the widely dispersed, rural residents of the Big Island; additional benefits will be achieved such as improved access to primary care services and better health outcomes for children. The van also has the potential to be utilized in disasters to provide relief to affected areas.

Although the mobile van will significantly improve physical access to remote regions of the Big Island, incorporating tele-health capabilities will dramatically increase timely and



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convenient virtual access to information that can be incorporated into the medical van's delivery of services. The question of why push to utilize telehealth in this capacity was recently answered by President Barack Obama in his State of the Union speech when he spoke of increasing the nation's high speed wireless capacity to ensure a patient "can have face-to-face video chats with her doctor."

In addition, today's telehealth technology platform operates in a secured communication environment, which is imperative to ensure confidential exchange of information.

Offering on-line care services is a critical component of the mobile medical van that will allow:

- Face to face interaction with Advanced Practice Nurses and Online physicians
- The ability of patients to establish ongoing care with a primary care physician at the local community clinic or elsewhere
- Additional access and resources, such as specialists and other primary care providers

Ensuring that Medicaid and QUEST members are able to take advantage of the telehealth services being provided by the mobile medical van will be vital. A large portion of the Big Island's residents receive their health care coverage through one of these government programs. If these individuals were denied access to telehealth services, the impact that the van could have on these populations would likely be lessened.

The approval of HB 326, HD1, will result in significant enhancement of health care services that the mobile medical van can provide. In parallel, passage of this measure will create more robust collaborative discussions that are already occurring and being planned with key community stakeholders and providers. It should also be noted that operational costs for this project are addressed within HB 326, HD1, as well, which describes a commitment from HMSA to provide funding.

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.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 28, 2011 12:36 PM
To: FINTestimony
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Subject: Testimony for HB326 on 3/1/2011 3:00:00 PM
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Testimony for FIN 3/1/2011 3:00:00 PM HB326

Conference room: 308
Testifier position: support
Testifier will be present: Yes
Submitted by: Howard Lee
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Submitted on: 2/28/2011

Comments: