

SB 2472

Measure Title: RELATING TO PATIENT-CENTERED MEDICAL HOMES.
Report Title: Patient-centered Medical Homes; Appropriation
Description: Defines and establishes patient-centered medical homes and their duties. Appropriates funds to support qualified patient-centered medical homes as certified by the governor's healthcare transformation coordinator or leadership team.
Companion:
Package: None
Current Referral: HTH/HMS, WAM
Introducer(s): GREEN, CHUN OAKLAND



EXECUTIVE CHAMBERS

HONOLULU

NEIL ABERCROMBIE
GOVERNOR

SENATE COMMITTEE ON HEALTH
Senator Josh Green, MD, Chair
Senator Clarence K. Nishihara, Vice Chair

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

February 6, 2012
3:00 p.m. Room 229

Testimony on SB 2472
Relating to Patient-Centered Medical Homes

Presented by Beth Giesting, Healthcare Transformation Coordinator

Chair Green, Chair Chun Oakland, members of the Committees, the Office of the Governor strongly supports patient-centered medical homes as a building-block of healthcare transformation. Accordingly, we appreciate the intent of SB 2472 but have some concerns about it as currently drafted. We respectfully request that you defer decision-making on SB 2472 to allow us to confer with interested parties to develop proposed amendments.

Thank you for the opportunity to offer our comments.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SIXTH LEGISLATURE, 2012**

ON THE FOLLOWING MEASURE:

S.B. NO. 2472, RELATING TO PATIENT-CENTERED MEDICAL HOMES.

BEFORE THE:

HOUSE COMMITTEES ON HUMAN SERVICES AND ON HEALTH

DATE: Monday, February 6, 2012 **TIME:** 3:00 p.m.

LOCATION: State Capitol, Room 229

TESTIFIER(S): David M. Louie, Attorney General, or
Lili A. Young, Deputy Attorney General

Chairs Chun Oakland and Green and Members of the Committees:

The Department of the Attorney General provides the following comments.

By adding a new chapter to the Hawaii Revised Statutes (HRS), this bill seeks (as stated in section 1) to define and establish “‘patient-centered medical homes’; encourage licensed health care providers and patients to partner in the patient-centered medical home; define quality standards that will reduce disparities in health care access, delivery, and health care outcomes; and improve the overall quality of health care and lower the costs” of healthcare. We believe that to more effectively accomplish what it seeks to achieve, the bill should be amended with respect to its certification standards.

Section 2 on page 2, lines 6 – 8, provides that “the purpose of this chapter is to encourage licensed health care providers and patients to partner in patient-centered medical homes[.]” [Emphasis added.] However, as currently written, the bill appears to offer no benefit or incentive in becoming a certified, qualified patient-centered medical home. For example, if there is a medical office that already operates like a medical home, such incentives could include different rates, a tax break, or other benefits.

Section 2 on page 2 adds a new chapter to the HRS to establish the definition and duties of a patient-centered medical home. Additionally, the purpose of the chapter is to encourage licensed health care providers and patients to partner in patient-centered medical homes and also encourage adherence to quality standards. There is no language in the proposed chapter, however, explaining how and by whom this program will be administered, monitored, or enforced.

Section 3 on pages 5 - 6 of the bill appropriates money “for qualified patient-centered medical homes as certified by the office of the governor’s healthcare transformation coordinator or leadership team,” and also provides that the “sum appropriated shall be expended by the office of the governor[.]” However, the bill does not establish clear criteria for qualifying as or certifying a patient-centered medical home. Lack of specifics raises questions about what the certification process would entail and how these certified patient-centered health homes will be monitored for compliance. For instance, is submission of an application to become certified necessary? If the application is denied, is there a right to appeal the decision? If there is a right to an appeal, would it be with the office of the governor or with an agency? Is there a fee connected with certification? Is there an annual fee necessary to maintain certification? Will there be an authority to monitor whether the medical home is in compliance with set standards? Can the certification expire or be revoked if the medical home no longer meets the set standards?

Article V, section 6, of the State Constitution provides in relevant part that “[a]ll executive and administrative offices, departments and instrumentalities of the state government and their respective powers and duties shall be allocated by law among and

within not more than twenty principal departments in such a manner as to group the same according to common purposes and related functions.” It seems that the function of certifying a medical home and overseeing this specific program would more appropriately be allocated to a principal department established under section 26-4, HRS (e.g., the Department of Commerce and Consumer Affairs, the Department of Health, the Department of Human Services, etc.), instead of the Office of the Governor.

In order to address these concerns, we recommend wording be added to allocate the administration of this program to the appropriate principal department, and to provide rulemaking authority so that the selected department could establish specific criteria and standards for this program. The expending agency for any appropriation provided should be the principal department assigned to administer the program.

We respectfully ask that, if the Committee passes this bill, amendments be made to address these concerns.

NEIL ABERCROMBIE
GOVERNOR



PATRICIA McMANAMAN
DIRECTOR

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

February 6, 2012

TO: Honorable Josh Green, M.D., Chair
Senate Committee on Health

Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2472 - RELATING TO PATIENT-CENTERED MEDICAL HOMES**

Hearing: Monday, February 6, 2012; 3:00 p.m.
Conference Room 229, State Capitol

PURPOSE: The purpose of this bill is to define and establish patient-centered medical homes and their duties and appropriate funds to support qualified patient-centered medical homes as certified by the Governor's healthcare transformation coordinator or leadership team.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this measure to support the patient-centered medical home, but respectfully opposes as it conflicts with DHS initiatives that are eligible for federal matching funds.

DHS is supporting implementation of the health home model through requirements in its new QUEST contracts and through collaboration with the State Plan Option Coalition to implement the two-year health home pilot authorized under the

AN EQUAL OPPORTUNITY AGENCY

Affordable Care Act. There are existing contractual and federal requirements that would preclude separate certification using other criteria.

In addition, if required under State statute to use this definition of a health home, DHS would not be able to participate in federally funded opportunities to promote the health home. Exempting medical assistance programs would avoid the potential loss of available federal funding for the health home through Medicaid. The need for a Hawaii statutory definition is unclear, and it will have unanticipated consequences.

If this measure advances, here are additional considerations:

- 1) In -3 (6), we recommend inserting "nationally recognized" between "a" and "voluntary".
- 2) In -4 (4), we recommend inserting ", or medical assistance programs" between "as specified," and "; or".
- 3) In Section 3, we recommend deleting "as certified by the office of the governor's healthcare transformation coordinator or leadership team".

Thank you for the opportunity to provide testimony on this bill.



To: Committee on Human Services
Senator Suzanne Chun Oakland, Chair

Committee on Health
Senator Josh Green, M.D., Chair

Date: February 6, 2012, Conference Room 229, 3:00 p.m.

Re: **SB2472 – RELATING PATIENT-CENTERED MEDICAL HOMES**

Chair Chun Oakland, Chair Green and Committee Members:

My name is Barbara Kim Stanton, State Director of AARP Hawaii. AARP is a membership organization of people 50 and older with nearly 150,000 members in Hawaii. We are committed to championing access to affordable, quality health care for all generations, providing the tools needed to save for retirement, and serving as a reliable information source on issues critical to Americans age 50+.

AARP **supports** SB2472 which defines and establishes patient-centered medical homes (medical homes) and their duties, and appropriates funds.

Medical homes embody a “whole-person” approach to improving care through enhanced access, coordination, and support for patient-centered management.

A 2008 AARP study found that about 20% of people with chronic conditions reported that their providers did not communicate well with each other and that their health suffered because of the lack of a clear communication delivery system. An important element of healthcare reform is to improve the delivery system and a medical home is a key element toward this goal.

We believe that a medical home will lead to higher-quality, more cost-effective care through better coordination of services and support for patients that is culturally appropriate, interactive and respectful.

A medical home should include voluntary patient selection of a primary provider or medical practice and maintain an individual's ability to change primary providers or medical homes. Medical homes should have the following attributes:

- Ease of patient access and communication, including during non-business hours;
- Periodic assessment of a patient's clinical needs grounded in evidence-based protocols when available, and assessment of social and support needs and resources of both patient and family caregivers as needed;
- Care management, preferably employing an interdisciplinary team approach, especially for patients with multiple chronic conditions;
- Education and training for patients and their family caregivers in support of patient self-management; and

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- Capacity to use data to identify patients with specified conditions and risk factors, compile patient registries, track referrals and test results, and follow-up with other providers, including community resources. Preferred approaches rely on health information technology, such as interoperable electronic medical records and electronic prescribing.

Thank you for the opportunity to testimony.



Testimony of
Phyllis Dendle
Director of Government Relations

Before:
Senate Committee on Health
The Honorable Josh Green, M.D., Chair
The Honorable Clarence K Nishihara, Vice Chair

Senate Committee on Human Services
Senator Suzanne Chun Oakland, Chair
Senator Les Ihara, Jr., Vice Chair

February 6, 2012
3:00 pm
Conference Room 229

SB 2472 RELATING TO PATIENT CENTERED MEDICAL HOMES

Chairs Green and Chun Oakland, and committee members, thank you for this opportunity to provide testimony on SB 2472. This bill appropriates funding for patient-centered medical homes as certified by the governor's office.

Kaiser Permanente Hawaii supports the intent of this bill.

Kaiser Permanente has, by our design, engaged in the activities described in this legislation for many years. We are real believers in the integrated approach to providing care centered on the patient and in making the patient an active participant in their own care. So we support the legislature's efforts to encourage health care providers to practice in this way.

The National Committee on Quality Assurance (NCQA) developed a comprehensive program for recognizing patient-centered medical homes as a means of encouraging improvement in primary care. The requirements are substantial and cover the items in the bill. NCQA has three levels of recognition based on the number of points scored on the standards measured.

By October 2011 Kaiser Permanente Hawaii had received the highest level of recognition from NCQA for all 16 of our primary care clinics in Hawaii. We are pleased to be able to assure both our patients and the community of the quality of service that comes from being a patient-centered medical home. We encourage the use of this model to improve medical care throughout Hawaii.

Thank you for your consideration.

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From: Mailing List
Sent: Saturday, February 04, 2012 4:57 PM
To: HTHTestimony
Cc: Brenda.Kosky@gmail.com
Subject: Testimony for SB2472 on 2/6/2012 3:00:00 PM

Testimony for HTH/HMS 2/6/2012 3:00:00 PM SB2472

Conference room: 229
Testifier position: Support
Testifier will be present: No
Submitted by: Brenda Kosky
Organization: Individual
E-mail: Brenda.Kosky@gmail.com
Submitted on: 2/4/2012

Comments:

From: Mailing List
Sent: Saturday, February 04, 2012 10:12 AM
To: HTHTestimony
Cc: robertscottwall@yahoo.com
Subject: Testimony for SB2472 on 2/6/2012 3:00:00 PM

Testimony for HTH/HMS 2/6/2012 3:00:00 PM SB2472`

Conference room: 229
Testifier position: Support
Testifier will be present: Yes
Submitted by: Scott Wall
Organization: Individual
E-mail: robertscottwall@yahoo.com
Submitted on: 2/4/2012

Comments:

I whole heartedly support this bill and this program. I've worked with this team for almost a year. The entire concept of the Patient Centered Medical Home will be good for consumers, service providers, the taxpayer, and America as a whole.

HMSA



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February 6, 2012

The Honorable Suzanne Chun Oakland, Chair
The Honorable Josh Green M.D., Chair
Senate Committees on Human Services and Health

Re: SB 2472 – Relating to Patient-Centered Medical Homes

Dear Chair Chun Oakland, Chair Green, and Members of the Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to support the intent of SB 2472 which would define and specify the duties of a Hawaii patient centered medical home (PCMH) and to provide funding for PCMHs that are certified by the Governor's Healthcare Transformation Coordinator (GHTC).

Keeping our members healthy through personal attention and preventive care is the cornerstone of HMSA's PCMH program. Our vision is to have the primary care provider work on an individual health care regime for each of our members, including appropriate preventive health measures. Taking personal responsibility and preventive measures will help minimize the opportunity for each member to endure more severe and costly health conditions.

In conjunction with our PCMH program, we have incorporated incentives for providers who meet measures of success in helping our members improve their health status through preventive steps. We believe that transitioning to our PCMH and or pay-for-performance models is a vital part of creating an economically sustainable health care delivery system. This is reflective of the type of program described within SB 2472.

SB 2472 provides for a specific definition of PCMH and specifies the duties of a PCMH. And, the Bill implies that the GHTC "certifies" a PCMH to receive funding from the Governor's Office. However, the legislation is devoid of specifics as to (1) specific authorization for the GHTC to be a certifying entity and (2) the basis for which a program will be certified as a PCMH, including administrative rules.

Our concern is that the language in SB 2472 does not impede current progress taking place within the community. From the efforts during the legislative interim by the Department of Human Services to incorporate a PCMH model into its annual Medicaid workplan, it has become obvious that several providers in the community have individualized models of PCMH.

The Committee, in the alternative, may wish to have the GHTC convene a workgroup to find the common elements of the various PCMH models in the community to develop a guidance document for everyone to use. The guidance would delineate the elements of what everyone agrees should be incorporated in an appropriate PCMH in Hawaii. Such an effort would be in line with the GHTC's current effort to develop a health care strategy for the State.

HMSA is an ardent proponent of the PCMH model, and we are supportive and look forward to engaging the entire community on this important change to our health care system. Thank you for this opportunity to comment on our support of the intent of SB 2472.

Sincerely,

A handwritten signature in black ink, appearing to read 'JDiesman', with a long horizontal stroke extending to the right.

Jennifer Diesman
Vice President
Government Relations