SENATE COMMITTEE ON HEALTH
Senator Josh Green, M.D., Chair

Conference Room 229
February 9, 2011 at 2:45 pm

Supporting SB 797.

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 797, which appropriates State funds to take advantage of federal matching grants to develop health information technology (HIT).

HIT is generally considered to be the most promising tool to improve patient care. It can also reduce medical errors, reduce health care costs, and improve administrative efficiencies. In addition, HIT offers potential public health benefits that include the early detection of infectious disease outbreaks, improved tracking of chronic disease management, and the evaluation of health care based on value. HIT is now being used in the health care industry, but on a very limited basis.

Perhaps the most well known type of HIT is the electronic health record (EHR). Similar to a paper medical chart, an EHR contains a patient's health information, such as medical conditions, allergies, treatments, tests, and medications. An EHR connects various health care providers, such as a patient's primary care physician, specialists, labs, imaging facilities, and hospitals. The sharing of information among providers can lead to the reduction of medical errors and may help improve the quality of care. EHRs can also include medical alerts to remind physicians to perform certain tests or procedures. For example, if a patient has diabetes, the EHR may remind the physician to check the patient's feet at every visit or order a blood sugar test.

A Rand study concludes that the widespread adoption of HIT and related technologies could greatly improve health and health care in America while yielding significant savings. The federal government is making matching grants available for HIT through the Health Information Technology for Economic and Clinical Health Act. SB 797 takes advantage of this opportunity to improve the quality of health care in Hawaii.

For the foregoing reasons, the Healthcare Association supports SB 797.

KŪ ALOHA OLA MAU

Topic: SB 797 Making An Appropriation for Health Information Technology
To: COMMITTEE ON HEALTH: Senator Josh Green, M.D., Chair; Senator Clarence
    Nishihara, Vice Chair
When: Feb.9, 2011, Wednesday, at 2:45 pm
Place: Conference Room 229

Aloha Chair Green, Vice Chair Nishihara and Distinguished members. My name is Lisa
Cook. I am the Executive Director for Kū Aloha Ola Mau, a abuse treatment agency that
has served 13,000 persons suffering from addiction on Oahu and Hawai'i island.

Kū Aloha Ola Mau Strongly Supports SB797

Summary:

Health Care Reform requires electronic health records and interoperability utilizing
certified software systems. Supporting this bill provides the State with the ability to
access these kinds of systems. Waiting means the funding will be on the back of the
State. Moreover, 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 for a limited
time only.

Purpose: Opportunities for 90% matching Federal grants and assistance for the design
and development of critically needed Health Information Technology systems are
available now through December 31, 2015. Given that federal assistance is limited to
only a few years for support and all changes must completed by 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.

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. We must act now. 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.

HAWAII SUBSTANCE ABUSE COALITION

Topic: SB 797 Making An Appropriation for Health Information Technology
To: COMMITTEE ON HEALTH: Senator Josh Green, M.D., Chair; Senator Clarence
    Nishihara, Vice Chair
When: Feb.9, 2011, Wednesday, at 2:45 pm
Place: Conference Room 229

Aloha Chair Green, Vice Chair Nishihara and Distinguished members. My name is Alan Johnson, 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:

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.

Purpose: Opportunities for 90% matching Federal grants and assistance for the design and development of critically needed Health Information Technology systems are available now through December 31, 2015. Given that federal assistance is limited to only a few years for support and all changes must completed by 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.

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.