



Hawaii Business Health Council

1101 Kumukumu St. Suite C
Honolulu, HI 96825

LATE TESTIMONY

Testimony in Reference to SB979
Health Care Committee Hearing in Room 229
February 2, 2011

Thank You for the opportunity to provide testimony on an issue that could be extremely important for the economic viability of America in the future. Let me provide some facts to support that hypothesis.

Since President Johnson's term, every president has stated we have a health care crisis in America. Every administration from LBJ to President Obama primarily focused on the supply side of the health economic equation. For example:

- HMO's were developed to capitate physician payments thinking we could lower costs
- DRG's were developed to capitate hospital payments thinking we could control costs
- Pay for performance for physicians and hospitals was created to improve care and thus manage costs

These efforts did not adequately address the health care crisis because they only focused on the supply side of the economic equation. The demand side was ignored.

Let's understand the demand side of the health economic equation and how it impacts our health care cost increases. Understand that the chronic disease prevalence in America is growing at a rate of approximately 8.5% per year. If we do the math, then that means chronic disease will double every 12 years. The Center for Disease Control and Prevention has published data that substantiates this fact. Consequently, then means the demand side of the health economic equation will grow approximately 8.5% every year. That means that disease prevalence has grown every year and continues to grow as we speak.

Why has it continued to grow? Quite simply, America has not created the correct interventions that will stop or slow down the prevalence. If we do not address the demand side, then every change we make on the supply side will be erased by an increase in volume. For example:

- If we cut doctor rates 5% in one year, the increase in demand the next year will erase that improvement. Hence, our health care costs continue to go up.
- If I remove 30% of our health care costs, by eliminating abuse, duplicate services, and administrative overhead, 4 years from now that decrease will all be erased by the increase in demand at 8.5% per year or 32% increase in demand.

It should be evident that by not reducing demand. We will never be able to solve the health care cost crisis. Therefore, our conclusion should be to significantly address the demand crisis.

One approach is to create worksite wellness interventions or programs that will help the individual. Employers in Hawaii are financing the health care costs. This means

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- Alexander & Baldwin
 - Aloha Care
 - Campbell Estate
 - Central Pacific Bank
 - Chamber of Commerce
 - Farmers Insurance
 - First Hawaiian Bank
 - First Insurance
 - Garner Consulting
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 - Hawaii Dental Service
 - Hawaiian Electric Industries
 - Hawaiian Telcom
 - HMAA
 - HMSA
 - Hawaii Pacific University
 - Hawaii Tug & Barge / Young Brothers
 - Iolani School
 - Kaiser Health Plan
 - Macy's
 - Outrigger Resorts
 - Punahou Schools
 - PSH Insurance
 - Roberts Hawaii
 - Servco Pacific
 - Tesoro Petroleum
 - Times Supermarkets
 - Towers Watson
- PARTNERS**
- Astra Zeneca
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 - Sanoft Aventis
 - Novo Nordisk
 - Johnson and Johnson

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employers should have a self-interest in implementing worksite wellness. Helping the employee is a strategy that many companies in America have adopted as a business strategy that could produce a competitive edge.

Examples of successful programs include:

Pitney Bowes created a program that saved more than \$30 million dollars over 4 Years.

City of Asheville, N.C. created a program that reduced health care costs for diabetics by one third.

Union Pacific Railroad created a program that produced a return on investment of 4:1.

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The demand problem is an individual (employee) problem. As the opening paragraph of SB979 states, "The legislature finds that seventy per cent of chronic conditions are related to personal behaviors and unhealthy lifestyle choices." That means if we chose to solve the demand crisis. We must support change in personal behaviors and unhealthy lifestyles choices.

But before we charge ahead and create interventions, perhaps we should understand one fact. Most individuals with a chronic disease are addicted to the unhealthy life style. Their unhealthy lifestyle and their personal behaviors are killing each individual a little bit every day. Individuals with a chronic disease have been told that. Reality is they don't feel sick. Therefore, they don't accept the premise that they are killing themselves a little bit each day.

One possible solution I believe is to change our thinking and accept that we should help the chronic disease population in the fashion similar to drug addicts. Meaning, we should give them counseling either group, one on one, or both. The counseling should be innovative, should be based on a strategy that will empower and motivate the individual and it should place the control in the hands of the individual. Today there are cognitive therapy choices that will provide these strategies for counseling.

Assuming we accept the premise that worksite wellness is the distribution mechanism that will provide the highest level of success, we should consider other elements. Such as:

- Data collection for the population to be served that highlights their needs, desires and motivation
- Identify measureable outcomes that include reduction in health care costs and clinical elements
- Create a comprehensive program that deploys multiple interventions
- Develop a business model that will address drug compliance for chronic diseased individuals
- Create a prudent business model that puts the worksite wellness delivery system and the potential partners at financial risk for delivering measurable outcomes



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In conclusion, HBHC supports SB979 in order to begin addressing the demand problem we have in Hawaii. Several HBHC employers have already implemented wellness programs. They are measuring their programs and are willing to share their experiences. This bill has the potential to change the health economic cost crisis in Hawaii.

Respectfully Submitted February 2, 2011 by:

Gary Allen
Executive Director

MEMBER COMPANIES

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Campbell Estate
Central Pacific Bank
Chamber of Commerce
Farmers Insurance
First Hawaiian Bank
First Insurance
Gartner Consulting
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HMSA



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February 2, 2011

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

Re: SB 979 – Relating to Wellness

Dear Chair Green, Vice Chair Nishihara, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 979 which would create a Healthy Families Initiative to support wellness in the state. HMSA supports this effort.

HMSA has been promoting the concept of wellness to our members for many years through the provision of various programs, screenings and educational outreach in the form of written materials and classes. These include:

- HealthPass – A health risk assessment and biometric screening
- Health Coaching – Classes, free to HMSA members, which provide the tools to quit smoking; how to develop a weight management and physical activity program; understand nutrition and manage stress
- Screening and Vaccination Reminders – A personalized birthday card reminding members to get needed services. (Members receive reminders based on age, sex, and recommendations in HMSA's Preventive Care Guidelines)
- He Hapai Pono - Provides an expectant woman and her family with educational materials, personal support with phone access to an OB-experienced registered nurse five days a week, guidelines on recognizing early warnings of complications, and information on risk factors

We believe that the provision of these services along with others, has the ability to affect our members' health outcomes in a positive fashion.

It is important to note that the Healthy Families Initiative outlined in SB 979 should examine any opportunities to work with the Department of Health as the Department has many programs throughout the community working towards the common goal of improving the health of Hawaii residents. Additionally it may be worthwhile to examine any potential opportunities contained within federal legislation know as the Affordable Care Act which will assist employers in evaluating worksite wellness programs and provide grants to small employers for the provision of such programs. Thank you for the opportunity to offer testimony in support of SB 979.

Sincerely,

Jennifer Diesman
Vice President
Government Relations

UNIVERSITY OF HAWAII AT MĀNOA

The William S. Richardson School of Law

Hazel Glenn Beh
Professor of Law and Co-Director, Health Law Policy Center

February 2, 2011

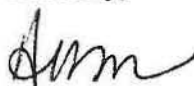
Committee on Health
Senator Josh Green, MD, Chair
Senator Clarence K. Nishihara, Vice Chair
State Capitol
415 South Beretania Street
Honolulu, HI 96813

Re: Senate Bill 979- Relating to Wellness

Dear Senators:

My name is Hazel Beh; I am a law professor and the Co-Director of the Health Law Policy Center at the William S. Richardson School of Law. I strongly support Senate Bill 979, Relating to Wellness. Funds provided by this measure will provide the State of Hawai'i an opportunity to develop and evaluate innovative health and wellness pilot initiatives aimed at producing positive health outcomes and influencing healthy behavior and choices.

Sincerely,



Hazel G. Beh
Professor of Law
Co-Director, Health Law Policy Center



HAWAII PACIFIC HEALTH

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Honolulu, Hawai'i 96813-4333

Kapi'olani • Pali Momi • Straub • Wilcox

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808-535-7401
www.hawaiipacifichealth.org

Wednesday, February 2, 2011
Conference Room 229

The Senate Committee on Health

To: Senator Josh Green, M.D., Chair
Senator Clarence K. Nishihara, Vice Chair

From: Virginia Pressler, MD, MBA
Executive Vice President

Re: **SB 979 RELATING TO WELLNESS - Testimony in Support**

My name is Ginny Pressler, MD Executive Vice President at Hawai'i Pacific Health (HPH). Hawai'i Pacific Health is a nonprofit health care system and the state's largest health care provider, committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four affiliated hospitals, 44 outpatient clinics and more than 2,200 physicians and clinicians. The network is anchored by its four nonprofit hospitals: Kapi'olani Medical Center for Women & Children, Kapi'olani Medical Center at Pali Momi, Straub Clinic & Hospital and Wilcox Memorial Hospital. Collectively, they lead the state in the areas of women's health, pediatric care, cardiovascular services, bone and joint services and cancer care. Hawai'i Pacific Health ranks among the top 3.8 percent of hospitals nationwide in electronic medical record adoption, with system-wide implementation that allows its hospitals to offer integrated, coordinated care throughout the state. Learn more at: <http://www.hawaiipacifichealth.org>

We are writing in strong support of SB 979 Relating to Wellness which establishes a healthy families initiative pilot project.

HPH believes preventive care as contemplated by this bill is an important and necessary step toward reducing chronic disease, which would in turn reduce the costs of health care expenditures associated with emergency care and other hospital-related treatments for chronic diseases. As costs for medical treatment and hospital stays continue to rise, evaluating health and wellness alternatives and supporting families in adopting and maintaining healthier lifestyles goes hand in hand with preventive care.

We ask that you pass SB 979. Thank you for your time regarding this measure.





AlohaCare
For a healthy Hawaii.

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February 2, 2011
2:45pm
Conference Room 229

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

From: Paula Arcena
Director of Public Policy

Re: SB979 Relating to Wellness

Thank you for the opportunity to testify in support of SB979 which requests funding for the creation of a health families initiative pilot program.

SB979 speaks to community concern for the adoption and maintenance of healthy lifestyles for families that reduce the incidence of chronic disease and reduce the costs of health care expenditures associated with emergency care and other hospital-based treatments for avoidable chronic diseases.

These are not simply lofty social ideals, but can be important to ensuring the future financial sustainability of our health care system.

We would like to suggest that the experience and expertise of Hawaii's health plans, providers and consumers be considered in this pilot program. And that pilot's goals and methods are rooted in evidenced-based principles that produce findings that can replicate pilot successes and identify non-successes to avoid.

Thank you for the opportunity to testify on this matter.

Kokua Kalihi Valley Comprehensive Family Services

2239 N. School Street u Honolulu, Hawai'i 96819 tel: 808-791-9400 fax: 808-848-0979 www.kkv.net

**LATE
TESTIMONY**

Senate Committee on Human Services
The Hon. Suzanne Chun Oakland, Chair
The Hon. Carol Fukanaga

Testimony in Support of Senate Bill 979

Relating to Wellness

Submitted by David Derauf

February 2, 2011, 2:45 p.m., Room 229

Kokua Kalihi Valley strongly supports this measure which would support efforts underway across the State of Hawaii to see health in its broader dimensions, relating the health of our land to the health of our families and communities.

Through the engagement of families and youth from across the state, Kokua Kalihi Valley co-creates Ho'oulu 'Aina, a welcoming place of refuge where people of all cultures sustain and propagate the connections between the health of the land and the health of the people. On one-hundred acres in upland Kalihi valley, the community comes together to restore a native Hawaiian forest, rebuild sustainable community food systems, rejuvenate ancient Hawaiian sites and stories, and reconnect to the land and one another.

As a Federally Qualified Health Center, KKV has learned from the languages and cultures of the people of Kalihi the importance farming, food, family, sharing, and connection. KKV is proud to play a role in shifting the conversation in the medical field away from equating health with medicine, and toward a community-centered idea of health.

Ho'oulu 'Aina is a vibrant example of communities returning to wellness by remembering this connection. 'O ka ha o ka 'aina ke ola o ka po'e -- The breath of the land is the life of the people.

Thank you for the opportunity to testify on this measure.