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KEALI'I S. LOPEZ
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DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Wednesday, April 10, 2013
2:10 p.m.

WRITTEN TESTIMONY ONLY

TESTIMONY ON HOUSE CONCURRENT RESOLUTION NO. 146 AND HOUSE RESOLUTION NO. 115 – URGING THE ESTABLISHMENT OF A WORK GROUP TO EXAMINE SOCIAL DETERMINANTS OF HEALTH AND RISK ADJUSTMENT FOR MEDICAID, GAP-GROUP, AND UNINSURED INDIVIDUALS.

TO THE HONORABLE ANGUS McKELVEY, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner (“Commissioner”), testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department supports these resolutions.

The purpose of these resolutions are to establish a Work Group to examine social determinants of health and ways to better serve the Medicaid, gap-group, and uninsured populations in this State.

The Department is willing to participate in this Work Group.

We thank this Committee for the opportunity to present testimony on this matter and ask for your favorable consideration.



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

**House Committee on Consumer
Protection and Commerce**

**HCR 146, URGING THE ESTABLISHMENT OF A WORK GROUP TO
EXAMINE SOCIAL DETERMINANTS OF HEALTH AND RISK ADJUSTMENT
FOR MEDICAID, GAP-GROUP, AND UNINSURED INDIVIDUALS.**

**Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health**

April 10, 2013

1 **Department's Position:** Support.

2 **Fiscal Implications:** None.

3 **Purpose and Justification:** This resolution proposes to examine the relationship between social
4 determinants of health and risk adjustment for Medicaid, gap-group, and uninsured individuals and
5 recommend programmatic, benefit, actuarial, and evaluation criteria.

6

7 "Your ZIP code affects your health status more than your genetic code." Social determinants of health,
8 or the conditions in which people are born, grow, live, work and age, including the health system, are
9 responsible for a greater share of a population's disease burden, healthcare expenditure, and quality of
10 life index than congenital medical and biological conditions.

11

12 Addressing social determinants is key in achieving health equity, a policy priority for the Department of
13 Health. As part of DOH's strategic plan, the Five Foundations for Healthy Generations, DOH

Promoting Lifelong Health & Wellness

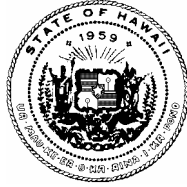
1 established the Office of Health Equity to guide health equity policies and organize activities around
2 social determinants of health. And certainly as part of overall Healthcare Transformation, there can be
3 no greater investment in people's lives or in bending the cost curve of healthcare expenditure than
4 addressing these fundamental geographic, economic, linguistic, and social disparities.

5

6 We urge adoption of HCR 146 and look forward to any opportunity to address this issue, particularly
7 across state agencies.

8

9 Thank you for the opportunity to testify in strong support of this bill.



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

April 10, 2013

TO: The Honorable Angus L.K. McKelvey, Chair
House Committee on Consumer Protection & Commerce

FROM: Patricia McManaman, Director

SUBJECT: **H.C.R. 146/H.R. 115 – URGING THE ESTABLISHMENT OF A
WORK GROUP TO EXAMINE SOCIAL DETERMINANTS OF
HEALTH AND RISK ADJUSTMENT FOR MEDICAID, GAP
GROUP, AND UNINSURED INDIVIDUALS**

Hearing: Wednesday, April 10, 2013; 2:10 p.m.
Conference Room 325, State Capitol

PURPOSE: The purpose of this resolution is to establish a work group to examine social determinants of health and risk adjustment for Medicaid, gap group, and uninsured individuals.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) would like to provide the following comments on H.C.R.146/H.R. 115. This resolution is one of 14 bills and resolutions being considered by the Legislature that requires the Med-QUEST Division (MQD) of the DHS to conduct a study or participate in a working group, task force or other groups on various subjects not only Medicaid. Participating in all of the required studies and groups will necessitate that MQD resources be redirected from implementing the new Medicaid eligibility criteria and methodology requirements under the Affordable Care Act by January 1, 2014, from

completing the Section 1115 demonstration waiver renewal, from procuring QUEST Integration and its focus on improving transition of care for vulnerable individuals, from transforming behavioral health delivery, and from the ability to support other healthcare transformation activities, including the planned activities led by the Health Care Transformation Coordinator.

Thank you for the opportunity to testify on this measure.



HPCA

HAWAII PRIMARY CARE ASSOCIATION

House Committee on Consumer Protection & Commerce

The Hon. Angus J.K. McKelvey, Chair

The Hon. Derek S.K. Kawakami, Vice Chair

Testimony in Support of HCR146/HR115

URGING THE ESTABLISHMENT OF A WORK GROUP TO EXAMINE SOCIAL DETERMINANTS OF HEALTH AND RISK ADJUSTMENT FOR MEDICAID, GAP-GROUP, AND UNINSURED INDIVIDUALS

Submitted by Robert Hirokawa, Chief Executive Officer

April 10, 2013, 2:10 pm, Room 325

Recent research has shown that the health and vitality of individuals and the population as a whole can be attributed to social determinants. In many instances factors such as homelessness, poverty, unemployment, language barriers, abuse, lack of education, and lack of access to exercise or healthy foods can have a more profound impact on health outcomes than even genetic disposition or traditional medical care.

The recently released County Health Rankings was able to quantify this by determining that life expectancy and health status can be attributed to:

- 40% - Social and Economic Factors
- 30% - Health Behaviors
- 20% - Clinical Care
- 10% - Physical Environment

What these numbers show is that only 1/5 of a person's life expectancy and health status can be directly attributed to the healthcare they receive. The remaining percentage is comprised of social determinants, many often competing at the same time.

The presence of social determinants presents a number of problems for the healthcare community. First, it multiplies the difficulties in identifying, assessing, and treating health concerns in a community. With so many competing forces at work, narrowing maladies to a single indicator is nearly impossible. Second, those most affected by social determinants are the homeless and poverty-stricken populations, which are often uninsured or present with health conditions that require hospitalizations or emergency department utilizations. Such visits are costly for providers and for the health community as a whole. Third, social determinants have a direct impact on access to primary care, which also has a strong correlation to healthcare costs.

Any effort to combat the social determinants of health must be comprehensive. On the clinical side, enabling services that work to address issues in housing, transportation, economic security,

interpretation, and other related factors must be present. In addition, issues such as race, age, gender, socio-economic status, and geography must be taken into consideration when treating patients. On the payment side, traditional insurance models do not address these social health indicators. To provide better value for the healthcare system and better care for patients, they must work to accommodate these issues moving forward.

As one of the primary providers of healthcare to the populations most affected by social determinants, the Hawaii Primary Care Association and the community health centers it represents supports HCR146/HR115. Every day community health centers treats those directly affected by social determinants and we wish to work collaboratively with the Hawaii healthcare community to seek answers to these problems.

We thank you for the opportunity to testify and urge your passage of this resolution.



April 10, 2013
2:10 pm
Conference Room 325

To: The Honorable Angus L.K. McKelvey, Chair
The Honorable Derek S.K. Kawakami, Vice Chair
House Committee on Consumer Protection and Commerce

From: Paula Arcena, Director of Public Policy
Robert Toyofuku, Government Affairs

Re: HCR146 & HR115 Urging the Establishment of a Work Group to examine Social Determinants of Health and Risk Adjustment for Medicaid, Gap-Group, and Uninsured Individual

Thank you for the opportunity to testify in **strong support** of HCR146 and HR115.

AlohaCare was founded nearly 19 years ago by Hawaii's community health centers to be a safety-net health plan dedicated to providing coverage for Hawaii's low-income families and residents.

We have special interest in this resolution because over 50% or approximately 35,600 AlohaCare members receive primary care from Hawaii's 14 statewide Community Health Centers and benefit from services that address social determinants of health.

We believe that a better understanding of the social determinants of health and risk adjustment for Medicaid, Gap-group and the uninsured will lead to a better understanding of how the Hawaii health care system can improve health and lower health care costs.

This is fundamental to becoming a truly patient-centered health care system that recognizes and addresses the major factors that contribute to an individual's health status.

While social determinants of health impact all types of people, the policy implications of a such a study would be most meaningful for government-sponsored health care programs, particularly Medicaid, where programs that seek to address barriers to good health need to be encouraged.

We would gladly participate in the work group and we urge you to approve its formation.

AlohaCare is a non-profit, Hawaii based health plan founded in 1994 by Hawaii's community health centers to serve low-income families and medically vulnerable members of our community through government sponsored health insurance programs. We serve beneficiaries of Medicaid and Medicare on all islands.

Thank you for this opportunity to testify.



94-450 Mokuola Street, Suite 106, Waipahu, HI 96767
808.675.7300 | www.ohanahealthplan.com

April 9, 2013

To: The Honorable Angus McKelvey
Chair, House Committee on Consumer Protection & Commerce

From: 'Ohana Health Plan

Re: HCR 146/HR 115, Urging the Establishment of a Work Group to Examine Social Determinants of Health and Risk Adjustment for Medicaid, Gap-Group, and Uninsured Individuals
In Support

Hearing: Wednesday, April 10, 2013 at 2:10 pm
Hawai'i State Capitol, Conference Room 325

'Ohana Health Plan ('Ohana) is a member of the WellCare Health Plans, Inc.'s ("WellCare") family of companies and provides healthcare for over 30,000 Hawai'i residents. Since 2009, 'Ohana has utilized WellCare's national experience to develop a Hawai'i-specific care model that addresses local members' healthcare and health coordination needs. 'Ohana currently provides services for the Hawai'i's Department of Human Services' (DHS) MedQUEST Division for three Medicaid programs: (1) QUEST, (2) QUEST Expanded Access (QExA), and (3) Behavioral Health services for Medicaid-eligible adults who have serious mental illnesses and are participants in the QExA program.

As one of the health insurance providers in the State which works directly with many of the individuals discussed in this resolution, 'Ohana Health Plan offers our **support** of HCR 146/HR 115, and urges the establishment of a workgroup to examine social determinants of health and risk adjustment for Medicaid, Gap-Group, and

Uninsured Individuals. **We would be honored to be included as one of the representatives of the work group.**

Providing managed care services exclusively for government-sponsored health care programs through a local team of experienced health care professionals provides 'Ohana with a unique perspective on the needs of our members and the social and economic issues they face.

Recognizing that there are many factors that contribute to the health care needs of these particular individuals, we see the formation of this workgroup as a real opportunity to sit down with other stakeholders in the community and examine the issues from a holistic point of view, which is in-line with our philosophy of placing members and their families at the center of the health care continuum.

Thank you very much for the opportunity to submit testimony on this measure.



HCR146
URGING THE ESTABLISHMENT OF A WORK GROUP TO EXAMINE SOCIAL DETERMINANTS OF HEALTH AND RISK ADJUSTMENT FOR MEDICAID, GAP-GROUP, AND UNINSURED INDIVIDUALS
House Committee on Consumer Protection & Commerce

April 10, 2013

2:10 p.m.

Room 325

The Office of Hawaiian Affairs (OHA) administration **SUPPORTS WITH AMENDMENTS** HCR146, which would establish a working group to examine social determinants of health and risk adjustment for Medicaid, gap-group, and uninsured individuals.

The health and well-being of an individual and community can be attributed to social determinants. The risk factors involved in these determinants are related to homelessness, abuse, unemployment, and poverty and can have a significant impact on the health outcomes that may not be resolved through traditional medical care. OHA's primary concern is that Native Hawaiians are significantly represented in the areas of poverty and homelessness and these social determinants have impacted healthy outcomes for Native Hawaiians.

OHA's strategic priorities include Maui Ola (Health), which represents our commitment to improve the conditions of Native Hawaiians and quality of life by reducing the onset of chronic diseases. OHA's Health Advocacy Initiative Core and Advisory Team have taken a comprehensive and holistic approach to decrease Native Hawaiian obesity rates in relation to Hawai'i's general population. **We urge the committee to include the Office of Hawaiian Affairs Administrator and/or designee to be included as a member of the working group.** OHA's participation on the working group would ensure that we are collectively responsive to the needs and concerns as it relates to health in the Native Hawaiian community and Hawai'i

Therefore, OHA urges the committee to **PASS** HCR146. Mahalo for the opportunity to testify on this important measure.



Community Alliance for Mental Health

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Gina Hungerford

Susan King

To: The Hawai'i State House of Representatives Committee on Consumer Protection and Commerce

Re: HCR 146 / HR 115

To: The Honorable Representative McKelvey and the members of the committee.

Aloha,

The Community Alliance for Mental Health along with United Self Help supports HCR 146 / HR 115. It might be folk wisdom but the first thing to know before one can fix something is what's broken and how it got broke. We believe that HCR 146 / HR 115 are a perfectly reasonable means to address discovering the social determinants of health and risk adjustments for Medicaid, the gap group, and the uninsured.

Mahalo,
Scott Wall
Vice-President

kawakami2 - Rise

From: mailinglist@capitol.hawaii.gov
Sent: Monday, April 08, 2013 8:09 AM
To: CPCtestimony
Cc: hspoehr@papaolalokahi.org
Subject: Submitted testimony for HCR146 on Apr 10, 2013 14:10PM

HCR146

Submitted on: 4/8/2013

Testimony for CPC on Apr 10, 2013 14:10PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Hardy Spoehr	Papa Ola Lokahi	Support	No

Comments: Papa Ola Lokahi strongly SUPPORTS this measure

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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kawakami2 - Rise

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, April 09, 2013 9:28 AM
To: CPCtestimony
Cc: ronthi@gmail.com
Subject: Submitted testimony for HCR146 on Apr 10, 2013 14:10PM

HCR146

Submitted on: 4/9/2013

Testimony for CPC on Apr 10, 2013 14:10PM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Ronald Taniguchi, Pharm.D.	Individual	Comments Only	No

Comments: I support the formation of the task force and the inclusion of a community pharmacist member recommended by the Hawaii Community Pharmacists Association (HCPA). Mahalo.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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