



STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

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

March 20, 2016

TO: The Honorable Angus McKelvey, Chair  
House Committee on Consumer Protection and Commerce

FROM: Rachael Wong, DrPH, Director

SUBJECT: **SB 2395 SD 1 HB 1 - RELATING TO TELEHEALTH**

Hearing: Monday, March 21, 2016, 3:00 p.m.  
Conference Room 325, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the opportunity to testify in support of this bill.

**PURPOSE:** The purpose of this bill is to require the Medicaid managed care and fee-for-service programs to cover services provided through telehealth. Specifies telehealth services be consistent with all federal and state privacy, security, and confidentiality laws. Specifies medical professional liability insurance policy requirements with regard to telehealth coverage. Clarifies reimbursement for services provided through telehealth shall be the same as via face-to-face contact. Requires written disclosure of coverages and benefits associated with telehealth services. Ensures telehealth encompasses store and forward technologies, remote monitoring, live consultation, and mobile health. Ensures telehealth is covered when originating in a patients home and other non-medical environments. Clarifies requirements for physicians and out-of-state physicians to establish a physician-patient relationship via telehealth. Ensures reimbursement requirements for telehealth services apply to all health benefits plans under chapter 87A, Hawaii Revised Statutes. Makes other conforming amendments related to telehealth.

The Department supports telehealth, which is a cost effective alternative to the more traditional face-to-face way of providing medical care and provides greater access to healthcare. The Centers for Medicare and Medicaid Services (CMS) does allow for reimbursement for telehealth services, and the Hawai'i Medicaid program currently covers limited services.

This bill requires the Med-QUEST Division to move forward with efforts to increase the availability of telehealth services to managed care and fee-for-service recipients. The Department can now support the bill with the HD 1 amendment that adds the new subsection (f) in Section 2:

(f) Notwithstanding any other law to the contrary, the provisions of this section shall comply with the applicable federal requirements related to utilization, coverage, and reimbursement for telehealth services.

Thank you for the opportunity to testify on this measure.



**March 21, 2016 at 3:00 PM**  
**Conference Room 325**

**House Committee on Consumer Protection and Commerce**

To: Chair Angus L.K. McKelvey  
Vice Chair Justin H. Woodson

From: George Greene  
President and CEO  
Healthcare Association of Hawaii

Re: **Testimony in Support**  
**SB 2395 SD 1 HD 1, Relating to Telehealth**

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 180 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

We would like to thank the committee for the opportunity to **support** SB 2395 SD 1 HD 1. This legislation would promote telehealth by eliminating geographic and originating site limitations, instituting reimbursement parity in the Medicaid program and clarifying the relationship requirements between patients and providers, among other things.

Telehealth is used extensively throughout the country and can be particularly effective in states like Hawaii where many segments of the population face challenges in accessing quality health care due to geography. We supported the telehealth parity bill in 2014 because it expanded access to health care services, especially in rural or underserved areas. We are supportive of this legislation because it will help to ensure that the opportunities and benefits of telehealth are provided equally and widely.


We support efforts to improve the quality and accessibility for patients all throughout the state and this bill would help to reach that goal. We would respectfully request that your committee view this bill favorably. Thank you for the opportunity to testify in support of this important matter.



## THE QUEEN'S HEALTH SYSTEMS

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To: The Honorable Angus L.K. McKelvey, Chair  
The Honorable Justin H. Woodson, Vice Chair  
Members, Committee on Consumer Protection & Commerce

From:  Paula Yoshioka, Senior Vice President, The Queen's Health Systems

Date: March 18, 2016

Hrg: House Committee on Consumer Protection & Commerce Hearing; Monday, March 21, 2016 at 3:00PM in Room 325

Re: **Support for SB 2395, SD1, HD1, Relating to Telehealth**

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My name is Paula Yoshioka and I am a Senior Vice President at The Queen's Health Systems (Queen's). I would like to express my **strong support** for SB2395, SD1, HD1, Relating to Telehealth.

At Queen's we recognize the importance of expanding access to care through telecommunication technologies. Queen's now operates statewide with a four hospital system: The Queen's Medical Center – Punchbowl, The Queen's Medical Center – West O'ahu, Molokai General Hospital, and North Hawai'i Community Hospital. It is our desire to expand health care access beyond O'ahu where our trauma and tertiary/quaternary services are located at QMC Punchbowl. We appreciate the introduction of this bill which will create greater health care access for rural O'ahu and the neighbor islands.

We concur with the testimony submitted by Dr. Matthew Koenig the Director of Telehealth for The Queen's Health Systems. We ask for your support in strengthening access to health care in Hawai'i by voting favorably on this measure.

Thank you for your time and consideration of this important matter.

**SB 2395, SD1, HD1, Relating to Telehealth  
House Committee on Consumer Protection & Commerce  
Hearing—March 21, 2016 at 3:00 PM**

**Dear Chairman McKelvey:**

My name is Matthew Koenig, MD and I am a stroke neurologist and Director of Telehealth for The Queen's Health Systems (QHS). I would like to provide **strong support for SB 2395, SD1, HD1.**

I am a telemedicine provider and the clinical lead for a stroke telemedicine project that links stroke experts at The Queen's Medical Center with seven other hospitals in the state, including Wahiawa General Hospital, Molokai General Hospital, Kona Community Hospital, Maui Memorial Medical Center, and Hilo Medical Center. Using telecommunications technologies, we are able to rapidly evaluate and treat stroke patients at hospitals that currently lack consistent on-site coverage by a stroke neurologist. This allows patients in smaller communities to be treated according to current standards of care by a stroke expert without having to transfer to a Primary Stroke Center. Last year, one-quarter of the stroke patients treated with life-saving "clot buster" medications in the state of Hawaii were treated by telehealth. The emerging use of telehealth for stroke treatment has benefitted patients by reduced death and disability. To date, it has also saved the Hawaii healthcare system approximately \$3.4 million in costs associated with reduced disability and shorter hospital length of stay, not counting the cost savings from reduced need for inter-island transfer.

As successful as the telestroke project has been, it is currently dependent on grant funding from the State of Hawaii through the Department of Health Neurotrauma Special Fund. We initially received \$480,000 in grant funding in 2011 and, this year, we applied for an additional \$450,000 in funding. Without this funding, the project would need to be terminated. Although we created a self-sustaining business model to continue the project after public funding concluded, this business model is dependent on reimbursement for telehealth services from Medicaid and private medical insurers in the state. To date, we have received no reimbursement for professional services on more than half of the stroke patients we treated using telehealth technologies. For the claims that were reimbursed, we were paid 20-50% less than we would have been paid if the same services were delivered in-person.

As illustrated by the telestroke project, there are several significant barriers to telehealth in Hawaii that have contributed to poor adoption and utilization, especially by health care providers. The major barriers include:

- No reimbursement for telehealth services for Medicaid patients located outside of federally-designated Healthcare Professional Shortage Areas (HPSAs). This means that Medicaid provides no coverage for telehealth services for stroke patients who are seen at

*The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.*

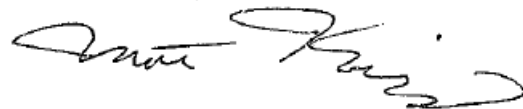
The Queen's Medical Center West Oahu, Maui Memorial Medical Center, and Hilo Medical Center, among others.

- Physicians who have malpractice insurance coverage from two of the top three medical malpractice insurance companies in Hawaii are told that their malpractice insurance does not cover telehealth. This leaves Hawaii physicians who want to use telecommunications technologies to expand access to patients in our rural communities without malpractice coverage. Physicians then have to choose whether to pay for additional malpractice insurance coverage from another company or risk being sued without coverage. This problem severely limits the number of physicians using telehealth.
- Poor reimbursement for telehealth services from private insurers based on payment for telehealth billing codes that are less than the same services provided in-person.
- Restrictions on the patient's environment at the time of the telehealth encounter that require the patient to be within specific clinical settings and to have another healthcare provider physically present during the encounter. This precludes payment for telehealth services in the patient's home or other non-clinical environments like schools and businesses.

This legislation will provide a tremendous benefit to our families in Hawaii by removing all of the artificial barriers to telehealth listed above.

I ask for your support in strengthening access to health care in Hawaii by voting favorably on this measure. Thank you for your time and consideration of this important matter.

Sincerely,



Matthew A. Koenig, MD  
Director of Telehealth  
The Queen's Health Systems

*The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.*

From: mailinglist@capitol.hawaii.gov  
Sent: Saturday, March 19, 2016 11:47 AM  
To: CPCtestimony  
Cc: laurie.field@ppvnh.org  
Subject: \*Submitted testimony for SB2395 on Mar 21, 2016 15:00PM\*

**SB2395**

Submitted on: 3/19/2016

Testimony for CPC on Mar 21, 2016 15:00PM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Laurie Field	Planned Parenthood Votes Northwest and Hawaii	Support	No

Comments:

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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March 21, 2016

The Honorable Angus L.K. McKelvey, Chair  
The Honorable Justin H. Woodson, Vice Chair  
House Committee on Consumer Protection and Commerce

Re: SB 2395, SD1, HD1 – Relating to Telehealth

Dear Chair McKelvey,, Vice Chair Woodson, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 2395, SD1,HD1, which would extend the use of telehealth as a means of providing health services, and to ensure telehealth may be appropriately used under the QUEST program.

The MedQUEST Division has been looking to accomplish much of what this Bill is intended to do, and HMSA has been working with MedQUEST in this endeavor. HMSA supports SB 2395, SD1, HD1, and we offer a comment.

Telehealth is a proven, effective and efficient way to facilitate timely access to quality health care, improve health outcomes, reduce the incidence of avoidable urgent and emergent care, and even-out distribution of health care providers.

HMSA is committed to seeing telehealth become an integral part of our healthcare system. Beginning in 2009, HMSA's Online Care was the first in the nation real time web-based telehealth service providing patients with 24/7 access to providers via the personal computer or telephone. Online Care deploys web-based videoconferencing, real time chat, and telephone to streamline the interaction for all residents of the state of Hawaii (members and nonmembers) with providers. Over 320 physicians from multiple specialties are enrolled to offer telehealth care, providing real time access for individuals with acute health care issues, in addition to managing their established patients with chronic disease, such as diabetes, depression, and dyslipidemia

In order to successfully offer our telehealth program to QUEST Integration members, we are working with the MedQUEST Division to consider changes to the Hawaii Medicaid Program, including:

- Allowing telehealth services to be provided throughout Hawaii without limit to geographic requirements as defined by CMS;
- Not limiting the setting where telehealth services are provided for both patient and health care provider. (Addressing Originating Site requirement as defined by CMS);
- Not requiring that an in-person contact occurs between a health care provider and patient before the delivery of a service via telehealth;
- Not limiting the Current Procedural Terminology (CPT) codes covered under telehealth as defined by CMS;
- Broadening the definition of telecommunication to include emerging technologies such as mobile applications accessible via smart phones or tablets; and





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- Propose statutory provisions to address current prohibitive Hawaii Administrative Rules.

While our commitment to telehealth is absolute, we want to ensure that this measure does not negatively impact payment transformation efforts. As is promoted by the Affordable Care Act, plans have all been implementing various forms of pay for quality initiatives to help drive efficiency into the healthcare system. HMSA's payment transformation effort envisions a model under which providers may use and be reimbursed for telehealth to augment member care. We want to ensure that this measure does not impede that effort.

Thank you for allowing us to testify on SB 2395, SD1, HD1. HMSA looks forward to having a premier telehealth system for the people of Hawaii.

Sincerely,

Mark K. Oto  
Director, Government Relations

**March 21, 2016 at 3:00 PM**  
**Conference Room 325**

**House Committee on Consumer Protection & Commerce**

To: Representative Angus McKelvey, Chair  
Representative Justin Woodson, Vice Chair

From: Michael Robinson  
Vice President – Government Relations & Community Affairs

Re: **Testimony in Support – SB 2395, SD1, HD1**

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My name is Michael Robinson, Vice President, Government Relations and Community Affairs at Hawai'i Pacific Health (HPH). Hawai'i Pacific Health is a not-for-profit health care system, and the state's largest health care provider and non-governmental employer. Hawai'i Pacific Health is committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four hospitals, more than 50 outpatient clinics and service sites, and over 1,600 affiliated physicians. Hawai'i Pacific Health's hospitals are Kapi'olani Medical Center for Women & Children, Pali Momi Medical Center, Straub Clinic & Hospital and Wilcox Memorial Hospital.

HPH is writing in **support** of SB 2395, SD1, HD1 which establishes a number of requirements for the delivery of telehealth services. The delivery of health care services has undergone significant technological advancements in recent years. Telehealth and telemedicine are innovative and highly effective means of providing health care services to a greater number of people. Telehealth brings health care services to our rural communities as well as underserved areas. With our shortage of physicians statewide, telehealth is an important tool in the delivery of services. This bill removes some of the barriers affecting telehealth services and thus enables more people to benefit from such services.

Thank you for the opportunity to provide testimony.

Testimony of Phyllis Dendle  
Director, Government Relations

Before:  
Committee on Consumer Protection & Commerce  
The Honorable Angus L.K. McKelvey, Chair  
The Honorable Justin H. Woodson, Vice Chair

March 21, 2016  
3:00 pm  
Conference Room 325

**SB 2395 SD1 HD1 RELATING TO TELEHEALTH**

Chair McKelvey and committee members, thank you for this opportunity to provide testimony on SB 2395 SD1 HD1 which seeks to clarify in law the ability of providers to use ever improving technologies of telehealth.

**Kaiser Permanente Hawaii supports this bill.**

As an island state with our watery boundaries that separate us from each other and from the continents we must use any means available to us to bring ourselves together. In health care telehealth is an excellent way to provide care, especially specialty care, to patients even when they cannot be in the physician's office.

We appreciate this bill and hope you will pass it. We would like to request a couple of clarifying amendments.

There is one section that appears to us to create some confusion. Page 26 lines 8-16:

~~[(f)]~~ (e) A physician shall not use telehealth to establish a physician-patient relationship with a patient in this State without a license to practice medicine in Hawaii.                       
An out-of-state physician shall not use telehealth to establish a physician-patient relationship with a patient in this State unless the out-of-state physician has an unrestricted license to practice medicine in the out-of-state physician's state of residence and a

board certification in the specialty or subspecialty in which the out-of-state physician practices.

The first sentence, which is existing law, requires physicians who use telehealth to establish a physician-patient relationship to be licensed in Hawaii. The second section then adds new language that explains what an out-of-state physician has to do. As written it appears that all physicians who use telehealth regardless of where they are must be licensed in Hawaii. If that is the case, the second part isn't necessary. If that is not the intent then it should be redrafted to include an "or" between the old and new section.

The other concern is with the definition of "Health care provider" which appears on pages 4-5, 12-13, 17-18, 22-23, and 28.

"Health care provider" means a provider of services, as defined in title 42 United States Code section 1395x(u), a provider of medical and other health services, as defined in title 42 United States Code section 1395x(s), and any other person or organization who furnishes, bills, or is paid for health care in the normal course of business, including but not limited to primary care providers, mental health providers, oral health providers, physicians and osteopathic physicians licensed under chapter 453, advanced practice registered nurses licensed under chapter 457, psychologists licensed under chapter 465, and dentists licensed under chapter 448 [REDACTED].

We would suggest that the definition of health care provider be expanded to include other services that are regularly provided and which can be provided via telehealth. The amendment could be to add at the end of the definition. **“and other practitioners licensed by the state of Hawaii, working within their scope of practice.”** This would include registered nurses, other licensed professionals who provide care such as: ESRD and dialysis care and monitoring, chronic disease management, medical nutrition therapy, paid management, patient education and counseling and pharmacologic management. This amendment will assure the broadest appropriate access for patient care via telehealth.

Thank you for your consideration.



Hawaii Association of Health Plans

March 21, 2016

The Honorable Angus McKelvey, Chair  
The Honorable Justin Woodson, Vice Chair  
House Committee on Consumer Protection and Commerce

**Re: SB 2395, SD1, HD1 – Relating to Telehealth**

Dear Chair McKelvey, Vice Chair Woodson, and Members of the Committee:

The Hawai'i Association of Health Plans (HAHP) respectfully submits testimony in strong support of SB 2395, SD1, HD1 which requires Medicaid managed care and fee-for service programs to cover services provided through telehealth.

Telehealth is an important tool for our state's overall healthcare system because it creates greater access for patients to receive care in a timely and effective way. As Hawaii deals with a provider shortage (particularly in rural communities), telehealth is an instrument to ensure that patients can quickly receive care and providers can efficiently serve a greater number of patients.

Telehealth will create new and innovative ways to offset some of our unique geographical challenges to deliver health services across the state. We strongly urge the passage of this measure.

Thank you for allowing HAHP to testify in support of SB 2395, SD1, HD1.

Sincerely,

Wendy Morriarty, RN, MPH  
Chair, HAHP Public Policy Committee

Cc: HAHP Board Members

• AlohaCare • HMAA • HMSA • HWMG • Kaiser Permanente • MDX Hawaii  
• 'Ohana Health Plan • UHA • UnitedHealthcare •

HAHP c/o Jennifer Diesman, HMSA, 818 Keeaumoku Street, Honolulu HI 96814

[www.hahp.org](http://www.hahp.org)