

STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

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

March 29, 2016

TO: The Honorable Representative Sylvia Luke, Chair  
House Committee on Finance

FROM: Rachael Wong, DrPH, Director

SUBJECT: **SB 2395 SD 1 HB 2 - RELATING TO TELEHEALTH**  
Hearing: Wednesday, March 30, 2016, 3:00 p.m.  
Conference Room 308, 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. 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.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 29, 2016 7:15 AM  
**To:** FINTestimony  
**Cc:** waynette.cabral@doh.hawaii.gov  
**Subject:** \*Submitted testimony for SB2395 on Mar 30, 2016 15:00PM\*

**SB2395**

Submitted on: 3/29/2016

Testimony for FIN on Mar 30, 2016 15:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Waynette Cabral	State Council on Developmental Disabilities	Support	Yes

**Comments:**

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**March 30, 2016 at 3:00 PM**  
**Conference Room 308**

**House Committee on Finance**

To: Chair Sylvia Luke  
Vice Chair Scott Y. Nishimoto

From: George Greene  
President and CEO  
Healthcare Association of Hawaii

Re: **Testimony in Support**  
**SB 2395 SD 1 HD 2, 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 2. 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.



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March 30, 2016

The Honorable Sylvia Luke, Chair  
The Honorable Scott Y. Nishimoto, Vice Chair  
House Committee on Finance

Re: SB 2395, SD1, HD2 – Relating to Telehealth

Dear Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 2395, SD1,HD2, 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, HD2, 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, HD2. HMSA looks forward to having a premier telehealth system for the people of Hawaii.

Sincerely,

Jennifer Diesman  
Vice President, Government Relations



To: Hawaii State House of Representatives Committee on Finance  
Hearing Date/Time: Wednesday, March 30, 2016, 3:00 p.m.  
Place: Hawaii State Capitol, Rm. 308  
Re: Testimony of Planned Parenthood of Hawaii in support of S.B. 2395, SD1, HD1

Dear Chair Luke and Members of the Committee,

Planned Parenthood Votes Northwest and Hawaii (“PPVNH”) writes in support of S.B. 2395, which clarifies Hawaii’s telehealth laws and will ensure that patients have comprehensive and affordable access to family planning services in the rapidly changing telemedicine environment.

Planned Parenthood is proud to support S.B. 2395 as we believe that access to contraception is important to all men and women in Hawaii, and opportunities to increase access are a critical tool for preventing unintended pregnancies. By clarifying the scope and parameters of Hawaii’s telehealth laws, the legislature will help ensure that men and women can have access to contraceptive services even when they are unable to get to a “bricks and mortar” facility. By extending these services to patients who participate in Hawaii’s Medicaid program, the bill ensures that the benefits of telehealth will extend to the most vulnerable citizens in our state.

Thank you for this opportunity to testify in support of S.B. 2395.

Sincerely,  
Laurie Field  
Hawaii Legislative Director and Public Affairs Manager



## THE QUEEN'S HEALTH SYSTEMS

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To: The Honorable Sylvia Luke, Chair, Committee on Finance  
The Honorable Scott Y. Nishimoto, Vice Chair, Committee on Finance  
Members, Committee on Finance

From: Paula Yoshioka, Senior Vice President, The Queen's Health Systems  
Date: March 29, 2016  
Hrg: House Committee on Finance Hearing; Wednesday, March 30, 2016 at 3:00 p.m. in  
Room 308

Re: **Support for SB 2395, SD1, HD2, 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, HD2, 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.

*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.*





**SB 2395, SD1, HD2, Relating to Telehealth  
House Committee on Finance  
Hearing—March 30, 2016 at 3:00 PM**

**Dear Chair Luke:**

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, HD2.**

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

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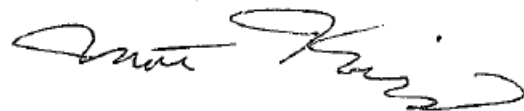
The Queen's Medical Center West Oahu, Maui Memorial Medical Center, and Hilo Medical Center, among others.

- 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 Hawaii'i.*

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 29, 2016 11:50 AM  
**To:** FINTestimony  
**Cc:** kkburdtd@gmail.com  
**Subject:** \*Submitted testimony for SB2395 on Mar 30, 2016 15:00PM\*

**SB2395**

Submitted on: 3/29/2016

Testimony for FIN on Mar 30, 2016 15:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kristen Koba-Burdtd	Hawaii Association for Behavior Analysis	Support	No

Comments:

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**Sent:** Tuesday, March 29, 2016 8:38 AM  
**To:** FINTestimony  
**Cc:** eveteeterbalin@gmail.com  
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**SB2395**

Submitted on: 3/29/2016

Testimony for FIN on Mar 30, 2016 15:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Eve Teeter-Balin, RN	Individual	Support	No

Comments: As a nurse who has lived on the Big Island, I strongly SUPPORT SB 2395. The outer islands have limited availability to specialists and experts. Many times they will fly over 1-2 days a week, but this results in long wait times for patients and expensive flights to Oahu for treatment on days they are not on island. TeleHealth will increase access to care for those most vulnerable in Hawai'i and save money by being able to provide local and timely treatment.

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**Sent:** Monday, March 28, 2016 9:30 PM  
**To:** FINTestimony  
**Cc:** julianac@hawaii.edu  
**Subject:** \*Submitted testimony for SB2395 on Mar 30, 2016 15:00PM\*

**SB2395**

Submitted on: 3/28/2016

Testimony for FIN on Mar 30, 2016 15:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Juliana Caldwell, RN, BSN	Individual	Support	No

Comments:

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**Sent:** Monday, March 28, 2016 9:16 PM  
**To:** FINTestimony  
**Cc:** lvandola@hawaii.edu  
**Subject:** Submitted testimony for SB2395 on Mar 30, 2016 15:00PM

**SB2395**

Submitted on: 3/28/2016

Testimony for FIN on Mar 30, 2016 15:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lindsey Vandolah	Individual	Support	No

Comments: Telemedicine will greatly aid in eliminating distance barriers for underserved communities and outer island residents. With technology where it is today, there is no reason telecommunication/telemedicine is not a viable way for providers to communicate with those in need.

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**To:** FINTestimony  
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**SB2395**

Submitted on: 3/29/2016

Testimony for FIN on Mar 30, 2016 15:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lillian McCollum	Individual	Support	No

Comments:

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To: FINTestimony  
Cc: lho@hawaiipublicpolicy.com  
Subject: Submitted testimony for SB2395 on Mar 30, 2016 15:00PM



**SB2395**

Submitted on: 3/29/2016

Testimony for FIN on Mar 30, 2016 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Lawless Barrientos	DentaQuest	Support	No

Comments: DentaQuest appreciates the opportunity to provide written testimony on Senate Bill No. 2395, which requires reimbursement parity for telehealth delivered services in the Medicaid managed care and fee for service programs. DentaQuest supports its goal to improve access to care for the Medicaid population. DentaQuest had the honor of serving the children of Hawaii as a subcontractor for the Medicaid QUEST dental program between 2012 and 2015. We continue to build partnerships with the Hawaii health and advocacy community by working with Hawaii nonprofits like Helping Hands Hawaii and Aloha Medical Mission. Like DentaQuest, these organizations work to improve health outcomes and to build stronger communities. DentaQuest is the second largest dental benefits company and the largest Medicaid and CHIP dental benefits administrator in the country. Nationwide, we work with seven state agencies, partner with 100 health plans, and offer plans on ten health insurance exchanges to provide dental benefits to more than 24 million beneficiaries. Along with the DentaQuest Foundation, DentaQuest Institute, and DentaQuest Care Group, our organization is committed to improving the oral health of all.

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