

STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony COMMENTING on HB1410 HD2 SD1
RELATING TO EMERGENCY MEDICAL SERVICES.**

SENATOR JILL TOKUDA, CHAIR

SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: Tuesday, March 28, 2017

Room Number: 211

1 **Fiscal Implications:**

2 Part I – Conversion of \$14,796,503 in special funds to general funds and is intended to be
3 budget-neutral. Note: This proposal is based on revenue projections made prior to the January 4
4 and March 13, 2017, forecasts of the Council on Revenues.

5 Part II – Approximately \$1,000,000 in general funds may be required to fund a community
6 paramedicine pilot program.

7 **Department Testimony:** The Department of Health strongly supports Part I, to repeal the
8 special fund and restore with an equal amount of general funds.

9 The department takes no position on Part II on the condition that its financing, if appropriated,
10 does not impact funding for Part I or other priorities in the Governor's Executive Budget
11 Request.

12 Part I

13 Repeal of the EMS special fund and equivalent general fund appropriation is a budget-neutral
14 policy priority intended to assure long-term EMS system durability due to a 3% year-to-year
15 decline in cigarette tax revenue. General funds already comprise approximately 80% of the EMS
16 system's funding; the special fund revenue deposits comprise the remaining 20%.

17 From FY2019 and going forward, the department will request general fund dollar amounts be
18 added to its base budget. Total revenue deposits from all sources into the EMS Special Fund in
19 FY 2016 were \$15,490,367.46. Total expenditures from the EMS Special Fund in FY 2016 were
20 \$13,426,984.26. The remaining encumbrances, in the EMS Special Fund as of June 30, 2016,
21 were \$10,217,202,01.

22

1 Part II

2 The Department of Health takes no position on Part II and provides technical comments. A
3 community paramedicine pilot project may require an appropriation of approximately
4 \$1,000,000 that must not adversely affect the budget priorities of the Governor and Department
5 of Health.

6 Part II is based on findings requested by HCR 90 SLH 2016 from an interdisciplinary working
7 group convened by the Department of Health that suggested. The report recommends that the
8 pilot community paramedicine be limited initially to two sites, one on Oahu and the other on a
9 neighbor island. Since the community paramedic is a new level of care, training and certification
10 courses would need to be offered by Kapiolani Community College (KCC). In addition to
11 training DOH would need to retain a program administrator, a medical director for each site, two
12 rapid response (non-transport) vehicles, and requisite equipment.

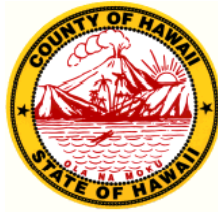
13 The State would need to develop in consultation with the Centers for Medicare and Medicaid
14 Services, insurance commissioner, and payers, a fee schedule for community paramedic services
15 with all fees being returned to the State's General Fund similar to current billing practice for 911
16 services.

17 Initially the current pre-hospital medical records system would be used, but a new community
18 paramedic record system would need to be procured. As mentioned, the DOH would have to
19 develop temporary rules for community paramedicine. This would require DOH to work with
20 the Hawaii Medical Board and other stakeholders. Community paramedics would work closely
21 with a patient's medical provider and other community health workers.

22 Although exact costs are not available, DOH estimates that each pilot site would cost \$1 million
23 per year. KCC would require approximately \$150,000 per year for implementation and training.
24 Additionally, DOH budgetary needs would total \$500,000 for program development,
25 administration, and evaluation.

26 Thank you for the opportunity to testify on this bill.

Harry Kim
Mayor



Wil Okabe
Managing Director

Barbara J. Kossow
Deputy Managing Director

County of Hawai'i

Office of the Mayor

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Dear Chair Tokuda and Committee members:

Re: HB1410, HD2, SD1, EMS

Thank you for this opportunity to testify in support of the intent of HB 1410, HD2, SD1, as it relates to emergency medical services.

We are grateful that the Senate Commerce, Consumer Protection, and Health Committee removed the provisions of HD2 that we believe would have been deleterious to the EMS system, and we agree with the finding of the Senate CPH Committee that "it is essential that emergency medical services are provided with sufficient resources to ensure the safety and health of residents in this State." We are less certain that CPH was correct in finding that "by repealing the emergency medical services special fund and designating general funds to the emergency medical services system, this measure provides a more stable source of revenue or method of finance to assure uninterrupted services and continuity of the State's emergency medical services system."

So we simply ask this Committee to provide whatever method of funding will best assure continued, uninterrupted emergency medical services.

Respectfully submitted,

Harry Kim
Mayor
County of Hawaii

Council Chair
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Vice-Chair
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Presiding Officer Pro Tempore
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Director of Council Services
Sandy K. Baz

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March 27, 2017

TO: The Honorable Jill N. Tokuda, Chair
Senate Committee Ways and Means

FROM: Mike White
Council Chair 

SUBJECT: **HEARING OF MARCH 28, 2017; OFFERING COMMENTS ON HB 1410 HD 2, SD1, RELATING TO EMERGENCY MEDICAL SERVICES**

Thank you for the opportunity to offer comments on this measure. This bill repeals the Emergency Medical Services Special Fund and appropriates an equal amount of general funds to the Department of Health for emergency medical services.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

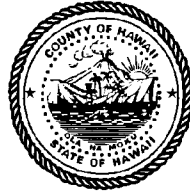
I appreciate the bill's recent amendment deleting the provisions that would unfairly shift ambulance services to the counties, and the suggestion that TAT funds should be tapped to pay for these services.

I support the current relationship and partnership the counties have with the state Emergency Management System, which has worked well and should be maintained. Under this structure, ambulance services fall under the Department of Health. The current program should be fully and adequately funded.

Mahalo.

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Harry Kim
Mayor



Darren J. Rosario
Fire Chief

Renwick J. Victorino
Deputy Fire Chief

County of Hawai'i
HAWAI'I FIRE DEPARTMENT
25 Aupuni Street • Suite 2501 • Hilo, Hawai'i 96720
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March 28, 2017

The Honorable Senator Jill N. Tokuda, Chair
Committee on Ways and Means
State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Baker:

**Subject: H.B. 1410 H.D. 2 S.D. 1, RELATING TO EMERGENCY
MEDICAL SERVICES**
Hearing Date: Tuesday, March 28, 2017
Time/Place of Hearing: 1:30 p.m., Conference Room 211

I am Darren J. Rosario, Fire Chief of the Hawai'i Fire Department (HFD). I am respectfully presenting testimony related to HB 1410.

1. The Hawai'i Fire Department **supports** the intent of H.B. 1410 H.D. 2 S.D. 1

As it relates to Part II I would like to share HFD's experience's which highlight the the value of Community Paramedicine.

With the permission of the State of Hawai'i EMS Branch, the Hawai'i Fire Department in partnership with the County of Hawai'i Office of Aging has been conducting a Community Paramedicine pilot program since October 2016. Over this time two of our EMS Captains both of whom are experienced field paramedics have made scheduled and unscheduled visits to 130 individuals, Kupuna 60 yrs. or older in the following categories. Vulnerable/medically fragile referrals from field personnel, high Utilizers aka frequent repeat callers, homeless and those at high risk of falling. The CP program works in the following way. 1. Identification of the individual through referral or software algorithm. 2. Assessment in the home by the community paramedic, determine needs, gaps in services etc. 3. Connect the individual with services, support that would improve their quality of health in hope to improve their quality of life and reduce health care costs. In a short period of time our community paramedics have been well received by the community, greatly appreciated by the paramedics in the field; and have made a



significant impact displayed by measureable cost savings and improved long term quality of life.

Vulnerable/medically fragile. This patient is typically an older individual with an acute spike in 911 calls (may be just for help getting up from falling, injury from fall or a medical complaint) we've found a high percentage of these referrals to be elderly individuals who have become acutely medically fragile/vulnerable. This group has shown a remarkable cost savings in a short period of time. 35 individuals included in this group had an estimated cost to the health care system of \$7,753 per patient the month before our CP made contact for a total cost of \$224,847. After an unscheduled visit from the CP who assessed and connected the individual with services has reduced the cost per month per patient to \$3,789, total cost of \$109,881 with a cost savings of \$114,966. More importantly through follow up visits we have witnessed dramatic improvement in the quality of the life of these individuals.

High utilizers, aka frequent repeat callers, are identified as anyone who has entered the 911 system 3 or more times over a 6-month rolling period. 289 of our customers meet this criteria and account for ~ 10% of all EMS transports, 15 % are homeless, approx. 60% with mental health and addiction issues. Based on an estimated \$3700 per EMS transport, the cost is a little more than 4M per year. Results to date: We've made contact with 36 of these individuals and have seen a 69% reduction in 911 EMS calls from this group, and a cost savings of \$20,753 per month, \$249,036 per year.

Homeless: We have 240 individuals within our database identified as homeless, they account for 452 incidents per year, with an approximate cost of \$1.6M in health care dollar per year. 20% of our high utilizers are homeless, 4 of our top 7 callers are homeless, however we believe there is also a significant number of underutilizes within the homeless community. Results to date: We do not have data indicating cost savings, however we have made 12 visits to homeless encampments across East and West Hawai'i. We have made contact with approximately 200 homeless individuals and provided medical assessments, provided wound care and assisted in scheduling appointments at health care clinics.

Fall Risks: Through the creation of a computer algorithm that identifies seniors at risk of falling utilizing numerous risk criteria we've come up with ~3,126 seniors who are at risk of falling. Hawai'i's data shows that falls are the leading cause of injury, fatal injury and traumatic brain injury for seniors. Falls are the leading cause of injury related EMS calls, ER visits and hospitalizations for seniors. The cost of non-fatal falls accounts is estimated to be \$80.2 Million in hospital costs per year in Hawai'i and it's estimated that rehabilitation and care home costs double that amount. Results to date: Have conducted 55 home fall assessments in homes of Kupuna who are at risk of falling. We have conducted education in an attempt to raise awareness, we have made environmental changes to increase safety and installed safety measures to reduce risk of falling. We do not have data to show effectiveness. However national studies show a 33% decrease in falls when fall prevention measures have been initiated.

In closing the Hawai'i Fire Department's community paramedicine pilot program has been able to show a very high value at a low cost in a short period of time. The measurable value of health care dollars saved is certainly compelling, however more importantly HFD's community paramedics have been critical in connecting vulnerable individuals with health care support services that has dramatically improved their quality of life. The value of this improved life quality is immeasurable.

Please do not hesitate to call me at 932-2903 or darren.rosario@hawaiicounty.gov should you have any questions. Thank you for the opportunity to provide testimony for this very important piece of legislation.

Respectfully,

A handwritten signature in black ink, appearing to read "Darren J. Rosario". The signature is stylized and cursive.

DARREN J. ROSARIO
Fire Chief

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, TRANSIENT ACCOMMODATIONS, MOTOR VEHICLE, Repeal Emergency Medical Services Special Fund

BILL NUMBER: HB 1410, SD-1

INTRODUCED BY: Senate Committee on Commerce, Consumer Protection, and Health

EXECUTIVE SUMMARY: Repeals the emergency medical services special fund and the earmarks that feed it. Program areas previously funded by this special fund will then be funded by direct appropriations which would increase transparency and accountability.

SYNOPSIS: Repeals HRS section 321-234, which established the emergency medical services special fund.

Amends HRS sections 245-15 and 249-31 to delete the earmarks from the tobacco tax and vehicle registration fee, respectively, that were used to fund the emergency medical services special fund.

Makes a conforming amendment to HRS section 36-30.

Appropriates an unspecified amount to the department of health for community paramedic services.

EFFECTIVE DATE: July 1, 2090.

STAFF COMMENTS: Currently, cigarette and tobacco tax revenues and motor vehicle registration fees are earmarked to various special funds. Through this system, monies are diverted into these funds without any legislative intervention, expenses from the funds largely avoid legislative scrutiny, and it is difficult to ascertain the effectiveness of the programs funded. It is also difficult to ascertain whether the funds being fed have too little or too much revenue.

The bill provides for the emergency medical services special fund to be repealed, and for the earmarks feeding the fund also to be repealed, resulting in that money being directed to the general fund once again. The bill provides appropriations to fund the programs previously funded by the special fund.

This would allow the programs previously funded by the special funds to be scrutinized by the legislature to ensure that each program area receives adequate funding. It should be noted that the state auditor stated that special funds “give state agencies full control of these unappropriated cash reserves, provide a way to skirt the general fund expenditure ceiling, and over time erode the general fund.”

Re: HB 1410, SD-1
Page 2

The adoption of this measure would greatly increase transparency in government finances. This concept also should be applied to numerous other special funds in use throughout state government.

Digested 3/10/2017

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 28, 2017 10:57 AM
To: WAM Testimony
Cc: sue.leeloy@hawaiicounty.gov
Subject: *Submitted testimony for HB1410 on Mar 28, 2017 13:30PM*

HB1410

Submitted on: 3/28/2017

Testimony for WAM on Mar 28, 2017 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Council Woman Sue Lee Loy	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 28, 2017 11:02 AM
To: WAM Testimony
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Subject: Submitted testimony for HB1410 on Mar 28, 2017 13:30PM

HB1410

Submitted on: 3/28/2017

Testimony for WAM on Mar 28, 2017 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
robert carroll	Individual	Comments Only	No

Comments: Please see attached file.

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