



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

March 17, 2017

TO: The Honorable Representative Dee Morikawa, Chair
House Committee on Human Services

The Honorable Representative Della Au Belatti, Chair
House Committee on Health

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: SB 2 SD2 – RELATING TO HOMELESSNESS

Hearing: Friday, March 17, 2017, 9:30 a.m.
Conference Room 329, State Capitol

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this measure and provides comments.

PURPOSE: The purpose of the bill is to require the State Auditor to conduct a study to assess the impact of using Medicaid funds to provide coverage for the treatment of homelessness. The Senate Committee on Ways & Means (WAM) found that "a study by the Auditor is a necessary next step in a potentially transformative approach for treating the homeless population in the State." WAM amended the measure by appropriating an unspecified sum of general funds for fiscal year 2017-2018, that is to be matched with federal funds, to cover the costs of the study.

The Coordinator recognizes the strong intersection between healthcare and homelessness, and notes that providing stable housing can result in significant improvement in health outcomes and reductions in healthcare costs. For example, a preliminary analysis by the University of Hawaii Center on the Family of a subset of state Housing First clients found that based upon client report, estimated healthcare costs for clients dropped an average of 43% in

the six months following housing placement – from an average of \$10,570 per client per month to \$5,980 per client per month.

The Department of Human Services (DHS) Med-QUEST Division is currently pursuing an amendment to its 1115 Medicaid waiver, which would expand eligibility for case management and supportive services for Medicaid-eligible individuals that are identified as chronically homeless. By expanding Medicaid coverage, managed care health plans could potentially pick up some of the cost of state funding for homeless outreach and housing placement activities that help people attain – and retain – housing. A study by the auditor will continue discussion on the use of Medicaid to address homelessness, and its findings will better inform future policy and programmatic decisions.

The Coordinator notes that Section 23-51, Hawaii Revised Statutes (HRS), requires that before any legislative measure that mandates health insurance coverage for specific health services can be considered, the Legislature shall pass a concurrent resolution requesting the State Auditor to prepare and submit a report assessing the social and financial effects of the proposed mandated coverage. As a result, even if this bill moves forward, it may still be necessary for the Legislature to pass a concurrent resolution so that the proposed coverage for treatment of homelessness can be considered. House Concurrent Resolution 46, which requests such an audit, was heard before this Committee on March 15, 2017.

The Coordinator defers to DHS in regard to issues related to health care services provided through MQD health plans, as well as contracting and implementation of homeless services. While the Coordinator establishes and coordinates State policy to address homelessness, the DHS Homeless Programs Office is responsible for the administration and implementation of homeless programs, and the Med-QUEST division leads Medicaid programs.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

BRIDGET HOLTHUS
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

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

February 23, 2017

TO: The Honorable Representative Dee Morikawa, Chair
House Committee on Human Services

The Honorable Representative Della Au Belatti, Chair
House Committee on Health

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2 SD 2- RELATING TO HOMELESSNESS**

Hearing: March 17 2017, 9:30 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the bill and offers comments.

PURPOSE: The purpose of measure SB 2 SD 2 is to require the auditor to conduct a study to assess the impact of using Medicaid funds to provide coverage for the treatment for homelessness.

The Senate Committee on Ways & Means (WAM) found that "a study by the Auditor is a necessary next step in a potentially transformative approach for treating the homeless population in the State." WAM amended the measure by appropriating an unspecified sum of general funds for fiscal year 2017-2018, that is to be matched with federal funds, to cover the costs of the study. This Committee heard House Concurrent Resolution 46 on March 15, 2017 regarding the required study by the Auditor.

DHS recognizes and appreciates that there is an integral link between health and housing, especially for individuals who are chronically homeless. Without housing, individuals struggle to address their health conditions; and without addressing their health challenges,

people struggle to obtain and retain housing. We also recognize the need for transformative approaches to providing and paying for services to address Medicaid.

For the past nine months, DHS Med-QUEST (MQD) actively engaged with various key Departments, community social service providers, health plans and community advocates for mental health and substance use recovery services on the expansion of “tenancy supports” or “permanent supported housing” benefits for chronically homeless individuals. These supportive services include behavioral health and case management services. Having the auditor conduct a study to assess the impact of using Medicaid funds to provide coverage for the “treatment of homelessness” would allow an informed discussion of this concept. DHS will be happy to collaborate and assist the auditor however we are able.

Thank you for this opportunity to provide comments on these measures.



HOUSE COMMITTEE ON HUMAN SERVICES

The Honorable Dee Morikawa, Chair
The Honorable Chris Todd, Vice Chair

S.B. No. 2, S.D. 2, Relating to Homelessness

Hearing: Friday, March 17, 2017, 9:30 A.M.

The Office of the Auditor has **no position** regarding S.B. No. 2, S.D. 2, which directs us to conduct a study to assess the impact of using Medicaid funds to provide coverage for the treatment for homelessness. **However, we have strong concerns about our ability to conduct work required by the bill and the requirement that we secure matching federal funds before we can expend the appropriation in the bill to conduct the study.**

Section 2 of the bill specifically requires us to assess the impact to provide coverage for the treatment of homelessness, including the costs to provide coverage for the chronically homeless population in the State. Moreover, the bill broadly scopes our review of the treatment of homelessness to include an assessment of the following types of service:

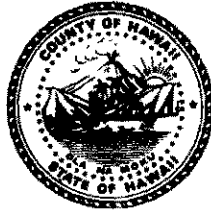
- (1) Behavioral health services, including mental health and substance abuse services;
- (2) Case management;
- (3) Personal care and personal assistance services;
- (4) Home and community-based service; and
- (5) Housing services.

The work called for by Section 2 of the bill is beyond our expertise and will require us to procure a consultant to assist us in performing the study. We suggest that the department of human services or the Governor's Coordinator on Homelessness may be the more appropriate agencies to conduct the study required in the bill. Those agencies likely are better equipped to identify the necessary expertise and to oversee projects relating to homelessness and Medicaid coverage.

However, if the legislature intends that we conduct the study, we request that the committee delete the requirement that we secure matching federal funds before we are allowed to expend any general fund appropriation to conduct the study. The Office of the Auditor does not seek and secure federal funds of any kind, and for that reason, we are unfamiliar with the process to secure federal funding. We also are concerned that we may not be able to report our findings and recommendations, including any proposed legislation, to the legislature before the 2018 legislative session, given that we must first procure the services of a consultant to perform the study.

Thank you for considering our testimony related to S.B. No. 2, S.D. 2.

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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March 15, 2017

Representative Dee Morikawa, Chair
Committee on Human Services
Hawai'i State Capitol
Honolulu, HI 96813

Dear Chair Morikawa and Committee Members,

**RE: SB 2 SD 2
Relating to Homelessness**

Although we all know that the future of Medicaid is tied into the healthcare debate currently going on in Washington, the idea that Medicaid could be used to treat homelessness offers so much hope that it must not be allowed to die without further exploration.

I would urge the Legislature to take this idea as far as it thinks possible, as soon as possible.

Homelessness is a failure of our society to meet the needs of all our people. If an Auditor's study reflects the limit of what can be done this session, so be it.

Please do all you can to deal humanely with homelessness, passing SB2, SD2 at least, and more if possible.

Respectfully submitted,

Harry Kim
Mayor



HAWAII SUBSTANCE ABUSE COALITION

SB2 HOMELESS STUDY

COMMITTEE ON HUMAN SERVICES: Rep. Dee Morikawa, Chair; Rep. Chris Todd, Vice Chair

COMMITTEE ON HEALTH: Rep Della Au Belatti, Chair; Rep Bertrand Kobayashi, Vice Chair

- Friday, Mar. 17, 2017 at 9:30 a.m.
- Conference Room 329

HSAC Supports SB2 with recommendations:

Good Morning Chairs Morikawa, Belatti; Vice Chairs Todd, Kobayashi; and Distinguished Committee Members. My name is Alan Johnson, Chair of the Hawaii Substance Abuse Coalition, an organization of more than 30 treatment and prevention agencies across the State.

HSAC recommends that the business model for substance abuse treatment be modernized as part of the analysis.

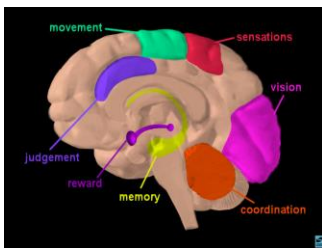
- Treatment therapeutic practices are the best in the world. Systems need reform.
- Systems are antiquated as designed by MedQuest (underinsured) and government (uninsured) during the 1980's for a single chronic illness.
- Today's patients are complex: substance use disorders coupled with depression, PTSD, anxiety, anger issues coupled with co-morbidity diabetes, hypertension, COPD, chronic pain and various organ diseases.
- The result for old style payment designs is that the more chronic patients are undertreated or more likely referred to emergent care, which usually stabilizes rather than treats the complex illnesses.
- Unless patients have a forensic connected severe mental illness, behavioral health practitioners and physicians rarely treat patients with chronic substance use disorders that have co-occurring and co-morbidity illnesses.
- Many homeless go untreated because our business model systems for low income haven't been modernized.
- Without asking for more money, treatment agencies, who have the expertise, just want to start with a new business model with respective payment reform. We need a part time psychiatrist to oversee operations and a nurse and medical assistants (replacing existing untrained para-professionals to provide minimal medical care. Then we need licensed counselors to oversee behavioral health operations while master level and bachelor level therapists provide the evidenced based practices.
- For a minimal investment, there could be greatly improved outcomes and reduced overall healthcare costs.
- The federal government highly recommends payment reform for substance use disorders because it is nationally recognized that the system designs and business models don't allow us to treat patients with complex disorders.

There are numerous governmental reports that enumerate the huge costs for not treating chronic substance use disorders. The costs of drug abuse and addiction to our nation are staggering.¹

- Substance abuse is associated with almost 20% of all Medicaid hospital costs and nearly 25% of Medicare dollar spent on inpatient care. Over 14% of patients admitted to hospitals have alcohol/drug abuse and addiction disorders.

Drug abuse and addiction are major burdens to society; economic costs alone are estimated to exceed half a trillion dollars annually in the United States, including health, crime-related costs, and losses in productivity. However, staggering as these numbers are, they provide a limited perspective of the devastating consequences of this disease,” Dr. Nora Volkow, Director of the National Institute on Drug Abuse, Congressional Testimony, 3/1/07

- 70% of individuals in state prisons and jails have used illegal drugs regularly. Drug offenders account for more than one-third of the growth in state prison population and more than 80 percent of the increase in the number of prison inmates since 1985.
- The economic burden in the United States for addiction is twice that of any other disease affecting the brain, including Parkinson’s and Alzheimer’s Disease, as well as all the others.
- Alcohol and Drug-related hospital emergency (ED) visits increased 81 percent from 2004 to 2009 while ED visits involving the non-medical use of pharmaceuticals increased 98.4%.²



Science-Based Prevention and Treatment Works.³

➤ Substance abuse and/or addiction as well as their exorbitant costs are avoidable. Like any other disease, it is preventable, it is treatable, and it changes biology.

➤ Discoveries in the science of addiction have led to advances in drug abuse treatment that help people stop abusing drugs and resume their productive lives.

- Research has shown that every \$1 invested in addiction treatment programs, there is
 - \$4 to \$7 reduction in the cost of drug-related crime,
 - \$3 - \$5 reduction in emergent medical care use (ER and Crisis Center) and
 - Among women – a \$4 reduction in welfare and child welfare costs
 - Among employed men, a \$7 increase in productivity (fewer absences and health claims)

¹ Estimating the costs of substance abuse to the Medicaid hospital care program. Fox K1, Merrill JC, Chang HH, Califano JA Jr. <http://www.ncbi.nlm.nih.gov/pubmed/7832261> Am J Public Health. 1995 Jan;85(1):48-54.

² Substance Abuse and Mental Health Services Administration, Center for Behavioral Health Statistics and Quality (formerly the Office of Applied Studies). *The DAWN Report: Highlights of the 2009 Drug Abuse Warning Network (DAWN) Findings on Drug-Related Emergency Department Visits*. Rockville, MD, December 28, 2010. Available at: <http://www.oas.samhsa.gov/2k10/DAWN034/EDHighlights.htm>

³ William Dewey, Board of Scientific Advisors, Friends of NIDA November 2008. http://www.cpdd.vcu.edu/Pages/Index/Index_PDFs/TransitionPaperOctober20081.pdf

- o Among returning Iraq veterans – a 35% reduction in family medical claims
- o And reductions in family violence problems

Not only is substance abuse a leading cause of preventable hospitalization, it is one of the primary cause of homelessness.

With new processes and procedures to identify and coordinate care for high end users of care that have multiple chronic conditions of health issues, we can effectively coordinate care, treat multiple conditions, and improve the effectiveness of treatment outcomes. The proposed funding can validate the cost effectiveness of providing treatment for the chronic homeless population and provide justification for continued funding.

We appreciate the opportunity to testify and are available for questions.

todd2 - Chloe

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 16, 2017 7:50 AM
To: HUS testimony
Cc: dabitbol@chowproject.org
Subject: *Submitted testimony for SB2 on Mar 17, 2017 09:30AM*

SB2

Submitted on: 3/16/2017

Testimony for HUS on Mar 17, 2017 09:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Heather Lusk	CHOW Project	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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House of Representatives
Committee on Human Services
Rep. Dee Morikawa, Chair
Rep. Chris Todd, Vice Chair

Committee on Health
Rep. Della Au Belatti, Chair
Rep. Bertrand Kobayashi, Vice Chair

Kayla A. Murata
94-1141 Manino Pl
Waipahu, HI 96797

Wednesday, March 15, 2017

Support for S.B. No 2, Relating to Homelessness

I am testifying in favor of S.B. No 2. My name is Kayla Murata, and I am a first-year medical student. Prior to beginning my medical school, I was a volunteer with a mobile homeless medical clinic in Hawaii, and I have chosen to continue my work with this community at the same clinic in my first year of medical school. It has been a passion of mine to get to know and care for this group of people. My support of S.B. No 2 is deeply rooted in the connections and relationships that I have developed over the past 3 years. I have witnessed first-hand through my patients the challenges that must be overcome by the homeless here in Hawaii. These circumstances and conditions need to be recognized as such in order for forward and progressive change to truly begin.

As I write this letter in support of S.B. No 2, I am reminded of how just how privileged I am to live with a roof over my head. As a volunteer, on nights that it would rain, I used to go home in tears at the end of clinic, knowing that I would be going home to a house whereas my patients were left with tarps and old tents. These are the social determinants of education, job opportunity and most importantly health that this community is faced with. I am in strong support of S.B. No 2 Relating To Homelessness, in hopes that this bill will help to begin to break down the barriers faced by my patients and their families by recognizing that homelessness as a legitimate determinant of health and well-being.

Thank you very much for your time and consideration.

Sincerely,

Kayla Murata

Alison M. Goo
4164 Sierra Drive
Honolulu, HI 96816

Thursday, March 15, 2017

Support for S.B. No. 2, Relating Homeless as a Medical Condition

My name is Alison Goo, first year medical student at the University of Hawaii, John A. Burns School of Medicine. I am testifying in support of S.B. No. 2, Relating Homelessness as a Medical Condition. The views voiced in this letter does not represent the views of the institution. I began my journey in medicine, knowing that I wanted to contribute to the community that grew up in here in Hawaii. For the past academic year, I have had the opportunity to work with a mobile medical clinic for the homeless, the Hawaii HOME Project. At the various clinic site across Oahu, I have had the humbling privilege of meeting and serving individuals and families of the local homeless community. Prior to medical school, I was living and going to school on the mainland, and had not much interaction with Hawaii's homeless. Since, I can honestly say that my patients at the HOME Project have taught me so much about compassion, community and resilience.

As I meet more patients, I learn that each has their own story and how they ended up without a home, and the insurmountable challenges and obstacles they face for that one fact alone. The instability of a person's life, health, and well-being is so clearly increased by not having a protective roof, not having storage to keep valuable items, not having proper sanitation, and the constant fear of being up rooted any time. At the current time, homelessness is being seen as a choice as opposed to a condition that puts individuals a great risk for so many medical issues. Once, a patient explained to me that she waits to seek medical attention for an urinary tract infections out of fear that she will experience bias and prejudice at the emergency room. I believe that it is unacceptable for people in our local community not to take care of their health and well-being out of fear of judgement from the medical profession and society. This is why I am in support of S.B. No. 2. Recognizing homelessness as a medical condition validates it as legitimate social determinant of health. Requiring Medicaid coverage for treatment for the homeless further legitimizes and begins to destigmatizes homelessness. Legislation like this will help tear down the biases and prejudices put forth by the medical profession and the community at large, and will hopefully allow more of Hawaii's homeless to access basic health care needs, which is their human right.

Thank you for your consideration.

Aloha,

Alison M. Goo

March 15, 2017

**TESTIMONY IN SUPPORT OF SB 2 RELATING TO HOMELESSNESS
for Hearing by HUS and HLT on March 17, 9:30am, Room 329**

TO: Chair Dee Morikawa, Vice Chair Chris Todd and
Members of the House Committee on Human Services

Chair Della Au Belatti, Vice Chair Bertrand Kobayashi and
Members of the House Committee on Health

FROM: Barbara Polk

I am testifying as an individual who is concerned about the lengthy failed attempts at dealing with homelessness. I strongly support SB 2, which would examine the possibility of using Medicaid funds for housing for the homeless, an innovative approach which shows great promise.

Funding has always been a problem, with the many other needs of the State often taking precedence over serious efforts to deal with homelessness. The possible use of Medicaid funds could provide a break-through, and is worth pursuing.

I urge you to pass SB 2

Thank you for your consideration.

todd2 - Chloe

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 17, 2017 7:37 AM
To: HUSstestimony
Cc: dkapua@gmail.com
Subject: Submitted testimony for SB2 on Mar 17, 2017 09:30AM

SB2

Submitted on: 3/17/2017
Testimony for HUS on Mar 17, 2017 09:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Kapua Keliikoa-Kamai	Individual	Support	No

Comments: Aloha kakou, I SUPPORT SB2 SD2 - RELATING TO HOMELESSNESS. Requires the auditor to conduct a study to assess the impact of using medicaid funds to provide coverage for the treatment for homelessness. Requires the auditor to submit a report to the legislature. Makes an appropriation. Effective 7/1/2050. As everyone is well aware, taking care of Hawaii's homeless & houseless population has become a burden & kuleana of all tax-paying residents. I look forward to this audit. However, I believe that all of Hawaii's private health insurers should still be a consideration in the auditor's notes. Mahalo for hearing this bill, for allowing my manao and for supporting PASSAGE OF SB2 SD2 out of your committee.

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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