



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

March 22, 2017

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

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

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

SUBJECT: SB 7 SD2 – RELATING TO MEDICAID

Hearing: Wednesday, March 22, 2017, 10:00 a.m.
Conference Room 329, State Capitol

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this bill, as it seeks to support ongoing efforts of the Department of Human Services (DHS) and Department of Health (DOH) to address homelessness, and offers the following comments.

PURPOSE: The purpose of the bill is to require DHS, in collaboration with DOH, to review the progress of the Hawaii Pathways Project pilot and continue to pursue efforts to utilize Medicaid to provide supportive housing services for chronically homeless individuals. In addition, the bill requires DHS to report to the legislature regarding the status of its efforts, including any proposed legislation, no later than twenty days prior to the convening of the regular session of 2018. The Senate Committee on Ways & Means amended this bill by inserting an appropriation for an unspecified amount, with a federal matching funds requirement, to be expended by DHS.

For the past three years, DHS and DOH have also collaborated to implement the Hawaii Pathways Project, which is funded through a federal Cooperative Agreements to Benefit Homeless Individuals (CABHI) grant. The Hawaii Pathways Project provides case management and tenancy support services for high needs chronically homeless persons with co-occurring

substance abuse and mental health concerns, and pairs these individuals with vouchers from the state Housing First program and other Permanent Supportive Housing (PSH) voucher programs. An evaluation of the Hawaii Pathways Project noted a high housing retention rate of 97%. At a six-month follow up with their case managers, Hawaii Pathways Project clients were more likely to report having social support for recovery compared to the time of program entry, and were less likely to report emergency room visits, criminal justice system involvement, and alcohol drug use.

In addition to positive housing retention results, preliminary analysis of the State's Housing First clients participating in the Hawaii Pathways Project found that 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. This preliminary data appears consistent with evaluation data for Housing First programs in other communities, which have been found to significantly reduce healthcare utilization and healthcare costs for chronically homeless persons over time. A Progress Report of the Hawaii Pathways Project by the University of Hawaii Center on the Family, can be found online at: http://uhfamily.hawaii.edu/publications/brochures/4c755_HPP_ProgressReport2016.pdf

The Coordinator continues to work closely with both DOH and the DHS Med-QUEST Division (MQD) to examine issues related to healthcare coverage for persons experiencing homelessness, and build upon the early success of the Hawaii Pathways Project. Specifically, MQD is currently looking to 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 homeless outreach activities that help people attain housing, and other activities to support a person's ability to maintain housing after placement. The Coordinator is also working with DHS and DOH homeless outreach providers to explore partnerships with other systems that serve as "touch points" for the homeless (e.g. the hospital system) to increase efficiency of outreach services by concentrating services at particular entry/exit points, such as when a person is discharged from a hospital emergency room.

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

March 22, 2017

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

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

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 7 SD2 - RELATING TO MEDICAID**

Hearing: March 22, 2017, 10:00 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the Legislature's interest in supporting the efforts of the Department of Health (DOH) and DHS to address chronic homelessness via the DHS Medicaid program. DHS provides comments.

PURPOSE: The purposes of measure SB 7 SD 2 is to support current efforts being made by DHS and to require the DHS, in collaboration with the Department of Health, to develop a Medicaid supportive housing services benefit plan through which Medicaid can pay for supportive housing services for individuals who are eligible for Medicaid, including applying to the Centers for Medicare and Medicaid Services through an 1115 waiver to amend the state Medicaid plan to include supportive housing services for chronically homeless individuals.

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.

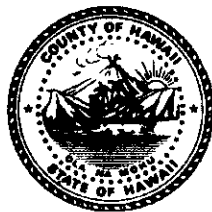
DHS would like to clarify that DOH, Alcohol and Drug Abuse Division (ADAD) is and has been the lead agency of the Hawaii Pathways Project (HPP). The HPP is the implementation of the Pathways Model of Housing First that was initially funded in October 2013 by a federal grant from the Substance Abuse and Mental Health Services Administration (SAMHSA) through DOH. The purpose of the grant was to place chronically homeless individuals with substance use disorders or co-occurring substance use disorders and mental illness into permanent supported housing; link them to health insurance and other entitlements (if eligible); provide outpatient substance abuse and mental health treatment, recovery and independent living support services; and refer them for medical services so as to improve their health status and sustain long term tenancy. The DHS Homeless Programs Office (HPO) collaborated with the DOH in its application for the federal funds by leveraging HPO Housing First rental subsidies with SAMHSA funds that DOH used to develop the intensive level of care, for the supportive services provided to the HPP clients. As an approach to sustain the Pathways Housing First approach, DOH and DHS have been exploring how to use Medicaid services in conjunction with homeless services to support housing tenancy of the homeless with mental health and substance use disorders.

Thus, for the past nine months, DHS Med-QUEST (MQD) actively engaged with various key Departments, including the Department of Health, 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 the homeless who would most benefit from such wrap-around services, the chronically homeless. Such benefits currently are included for Medicaid beneficiaries who have a serious mental illness with a functional need.

However, it was recognized that this was not broad enough to serve the chronically homeless population. Thus, the determination was made that an amendment to the MQD 1115 waiver would be needed for this benefit expansion. We appreciate the legislature’s support of these efforts and would be pleased to report our progress to you before the start of the 2018 legislative session.

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

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 20, 2017

Rep. Della Au Belatti, Chair
Committee on Health
Hawai'i State Capitol
Honolulu, HI 96813

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

Dear Chair Belatti, Chair Morikawa, and Members,

**RE: SB 7, SD 2
Relating to Medicaid**

I want to thank you for the attention that you are giving to the issue of homelessness. Homelessness reflects the failure of our society to meet the needs of all our people, and it is my hope that you and your fellow legislators will continue to strive to ease this burden and deal humanely with the pain that homelessness inflicts, both on those without shelter and on the community at large.

SB7, SD2, which calls on DHS/DOH to develop a plan in which Medicaid pays for supportive housing services, has been identified by our Big Island homeless experts—our local Community Alliance Partners-- as one of their top priorities for this legislative session. I therefore am pleased to stand with them in asking that SB7 be approved with adequate funding and an early effective date.

Respectfully submitted

Harry Kim
Mayor



March 22, 2017
10:00 a.m., Room 329

To: **House Committee on Health**
 The Honorable Della Au Belatti, Chair
 The Honorable Bertrand Kobayashi, Vice Chair

 House Committee on Human Services
 The Honorable Dee Morikawa, Chair
 The Honorable Chris Todd, Vice Chair

From: Beth Giesting, Hawai‘i Association of Health Plans

Re: Support for SB 7, SD 2, RELATING TO MEDICAID

The Hawai‘i Association of Health Plans (HAHP) supports the Hawai‘i Pathways Project Pilot that will bring together resources to coordinate health care and housing to assist people who are homeless.

HAHP’s members have taken an active interest in this project and note its relevance to the waiver that the Med-QUEST Division will be submitting later this year, enabling the State to provide supportive housing services for chronically homeless residents. We pledge continued support and collaboration with Med-QUEST and the Departments of Human Services and of Health to ensure timely and effective services that address this great need.

Thank you for the opportunity to support this measure.

kobayashi1- Oshiro

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 2:09 PM
To: HLTtestimony
Cc: dabitbol@chowproject.org
Subject: *Submitted testimony for SB7 on Mar 22, 2017 10:00AM*

SB7

Submitted on: 3/20/2017

Testimony for HLT/HUS on Mar 22, 2017 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Heather Lusk	CHOW Project	Support	No

Comments:

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HAWAII SUBSTANCE ABUSE COALITION

SB7 Medicaid Supportive Housing HI Pathways Project

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

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

- Wednesday, Mar. 22, 2017 at 10:00 a.m.
- Conference Room 329

HSAC Supports SB7:

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 supports utilizing Medicaid to expand supporting housing services through an amendment of the state 1115 Medicaid waiver.

HSAC recommends that substance use disorders be included in any analysis for improving effective systems of care.

- 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.

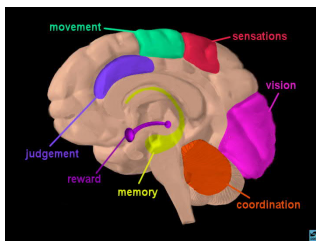
- The federal government highly recommends payment reform for substance use disorders because it is nationally recognized that the system designs and business models don't allow us to treat patients with complex disorders.

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' 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
 - o \$4 to \$7 reduction in the cost of drug-related crime,
 - o \$3 - \$5 reduction in emergent medical care use (ER and Crisis Center) and
 - o Among women – a \$4 reduction in welfare and child welfare costs

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 employed men, a \$7 increase in productivity (fewer absences and health claims)
- 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.

kobayashi1- Oshiro

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 17, 2017 5:57 PM
To: HLTtestimony
Cc: mamaupin@hotmail.com
Subject: *Submitted testimony for SB7 on Mar 22, 2017 10:00AM*

SB7

Submitted on: 3/17/2017

Testimony for HLT/HUS on Mar 22, 2017 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Margaret Maupin	Individual	Support	No

Comments:

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kobayashi1- Oshiro

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 17, 2017 8:00 PM
To: HLTtestimony
Cc: tika_bean@hotmail.com
Subject: *Submitted testimony for SB7 on Mar 22, 2017 10:00AM*

SB7

Submitted on: 3/17/2017

Testimony for HLT/HUS on Mar 22, 2017 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Erica Scott	Individual	Support	No

Comments:

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kobayashi1- Oshiro

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 18, 2017 10:05 AM
To: HLTtestimony
Cc: tjdavies@juno.com
Subject: *Submitted testimony for SB7 on Mar 22, 2017 10:00AM*

SB7

Submitted on: 3/18/2017

Testimony for HLT/HUS on Mar 22, 2017 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
T.J. Davies	Individual	Oppose	No

Comments:

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Sent: Saturday, March 18, 2017 1:06 PM
To: HLTtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB7 on Mar 22, 2017 10:00AM*

SB7

Submitted on: 3/18/2017

Testimony for HLT/HUS on Mar 22, 2017 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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kobayashi2 - Jessi

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 6:49 AM
To: HLTtestimony
Cc: barbarapolk@hawaiiantel.net
Subject: Submitted testimony for SB7 on Mar 22, 2017 10:00AM

SB7

Submitted on: 3/21/2017

Testimony for HLT/HUS on Mar 22, 2017 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Polk	Individual	Support	No

Comments: As a citizen very concerned about the growing number of houseless people in our community and the treatment of them, I strongly support SB 7 that recognizes houselessness as a health problem and supports efforts to provide housing. I applaud the idea of use of medicaid funds to help support this effort and look forward to the report on its successes. I strongly urge you to support SB 7.

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LATE

kobayashi2 - Jessi

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 9:44 PM
To: HLTtestimony
Cc: 333cory@gmail.com
Subject: Submitted testimony for SB7 on Mar 22, 2017 10:00AM

SB7

Submitted on: 3/21/2017

Testimony for HLT/HUS on Mar 22, 2017 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Cory Harden	Individual	Support	No

Comments: Aloha legislators, Please support this creative yet common- sense approach to health and homelessness--or try to find money for many pounds of cure. mahalo, Cory Harden

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LATE

kobayashi2 - Jessi

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 6:04 PM
To: HLTtestimony
Cc: tulsigreenlee@icloud.com
Subject: Submitted testimony for SB7 on Mar 22, 2017 10:00AM

SB7

Submitted on: 3/21/2017

Testimony for HLT/HUS on Mar 22, 2017 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Tulsi Greenlee	Individual	Support	No

Comments: Thank you for supporting this bill. Tulsi

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 11:53 AM
To: HLTtestimony
Cc: gertiehara@gmail.com
Subject: Submitted testimony for SB7 on Mar 22, 2017 10:00AM



SB7

Submitted on: 3/21/2017

Testimony for HLT/HUS on Mar 22, 2017 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Gertrude Hara	Individual	Support	No

Comments: SB7 Committee on Human Services Rep. Dee Morikawa, Chair & Rep. Chris Todd, Vice Chair - Relating to Medicaid My name is Gertrude Hara-Williams I appreciate this opportunity in sharing and support this Bill to pass. This is to chronically ill or homeless individuals in providing and utilizing this program to accommodate these services in managing their Medicaid plans. In Hawaii this must pursue every possible way to expand certain individuals by providing any assistance in Medicaid managed care plans. Gertrude Hara-Williams District 24/Makiki

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kobayashi1- Oshiro

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 11:06 AM
To: HLTtestimony
Cc: shannonkona@gmail.com
Subject: Submitted testimony for SB7 on Mar 22, 2017 10:00AM

SB7

Submitted on: 3/21/2017

Testimony for HLT/HUS on Mar 22, 2017 10:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Rudolph	Individual	Support	No

Comments: STRONGLY SUPPORT!

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