SB7

Measure Title:	RELATING TO MEDICAID.
Report Title:	Medicaid Supportive Housing Services Benefit; Homelessness; Department of Human Services; Department of Health
Description:	Requires the department of human services, 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.
Companion:	
Package:	None
Current Referral:	CPH/HMS, WAM
Introducer(s):	GREEN, S. CHANG, K. RHOADS

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

January 30, 2017

TO: The Honorable Senator Rosalyn H. Baker, Chair
Senate Committee on Commerce, Consumer Protection, and Health

The Honorable Senator Josh Green, Chair
Senate Committee on Human Services

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

SUBJECT: **SB 7 – RELATING TO MEDICAID**

Hearing: Monday, January 30, 2017, 3:00 p.m.
Conference Room 016, State Capitol

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this measure, and recognizes the strong intersection between healthcare and homelessness. The Coordinator notes that 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. The Coordinator asks for the Legislature's support of these efforts.

PURPOSE: The purpose of the bill is to require DHS, in collaboration with DOH, 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 (CMS) through an 1115 waiver to amend the State Medicaid plan to include supportive housing services for chronically homeless individuals.

The State has adopted a comprehensive framework to address homelessness, which includes a focus on three primary leverage points – affordable housing, health and human services, and public safety. All three of these leverage points must be addressed to continue

forward momentum in addressing the complex issue of homelessness. Accordingly, the Governor's Executive Budget request includes $20.9 million for homeless services. The Executive Budget specifically increases resources for homeless outreach, mental health and substance use treatment, as well as addressing housing costs through programs such as Housing First, Rapid Re-Housing and the State Rent Supplement. In addition, DHS has recently procured new contracts for homeless shelter, outreach, emergency grant, and housing placement program services that set specific performance targets for service providers that are aligned with federal performance benchmarks.

The Coordinator is working closely with the DHS Med-QUEST Division (MQD) to examine issues related to healthcare coverage for persons experiencing homelessness. 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.

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.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR

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January 30, 2017

TO: The Honorable Rosalyn H. Baker, Chair
Senate Committee on Commerce, Consumer Protection & Health

The Honorable Senator Josh Green, Chair
Senate Committee on Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2 - RELATING TO HOMELESSNESS**
SB 7 - RELATING TO MEDICAID
SB 8 - RELATING TO MEDICAL ASSISTANCE

Hearing: January 30, 2017, 3:00 p.m.
Conference Room 016, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the bills to address homelessness, and offers comments for the committee's consideration. DHS also adopts the Governor's Coordinator on Homelessness (GCH) testimony on the measures.

PURPOSE: The purposes of measures SB 2, SB 7 and SB 8 are as follows:

SB2: Beginning January 1, 2018, requires all health plans in the State, including EUTF health plans and Medicaid managed care programs, to provide coverage for the treatment of homelessness;

SB7: Requires the department of human services, 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; and

SB8: Requires providers and health plans to gather data regarding homeless individuals' use of medical assistance programs.

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.

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 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. The collaborative work that has already been done substantially addresses the intent of **SB 7**, and will be completed before the proposed July 1, 2017 effective date. If enacted, **SB 7** will likely serve to slow DHS progress.

The challenge of identifying and working with homeless individuals who also have health needs is great. GCH, MQD, DHS Homeless Programs Office (HPO) recognize that working collaboratively to identify, assess and provide services are essential to addressing the complex issues of homelessness. The health care system can be one such point of identification, and in fact, the new diagnosis classification system, ICD-10, includes diagnoses codes for homelessness and housing instability (Z59.0, Z59.1). Encouraging clinicians to recognize the social impact of one's housing, employment, social networks, and economic status has been shown to improve doctor/patient communication that can lead to improved health.

However, the health care system of providers, health plans and hospitals whose primary mission is the delivery of health care services, are not currently organized or structured in a way to actually address housing, employment, economic status etc. Thus, per **SB 2**, by designating

homelessness as needing “treatment” from a medical standpoint may help to elevate the issue, it may not actually be effective in helping to address that person’s housing situation.

Also, while it may be helpful for the health care system to identify and provide services for individuals who are homeless, who also have mental illness, substance use issues or other complex health issues for whom coordinated wrap-around services may help, it is less likely to be useful for those individuals who are healthy, and who are also homeless. For that reason, efforts already identified such as Housing First and the MQD permanent supported housing benefits are targeted for the relatively small number of individuals who would most benefit, and for whom we are likely to see a reduction in overall health costs once we invest in the types of intensive wrap-around supports that would be needed. The Legislature's continued support of Housing First program and added support for mental health and substance abuse programs are essential.

If health care providers were encouraged to appropriately use the diagnosis code of homelessness, the overall health costs for that individual could be gathered through analyzing the administrative claims data. Of note, per **SB 8**, if health care providers were to be required to separately capture information on an individual’s housing status it is unclear what enforcement mechanism would need to be put in place; if a person would need to be asked about their housing status every time they came into the office if that would impact the provider/patient relationship; or if it would add to the administrative burden of the health care provider office that already seems to be a concern for some.

If the data on homelessness were to be collected separately, questions of privacy and consent would also need to be worked through. Since state privacy laws are stricter than the federal laws, any rules regarding the collection of data would need to address the state privacy laws. Health plans would need to develop reports to transmit to DHS, and DHS would need to increase resources in order to analyze and develop the reports. Given the data already available, it is unclear how the reports would be used to inform policy.

In sum, addressing homelessness, particularly chronic homelessness, is already a major focus for MQD and the State. MQD and DOH, and many other entities are already collaborating and working together.

The Governor included in the Executive Budget, requests for additional resources to systematically and strategically address the issues these measures address. We ask the Legislature support these efforts with appropriations through the Executive Budget.

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

HAWAIʻI PACIFIC HEALTH | KAPIʻOLANI PALI MOMI STRAUB WILCOX

January 30, 2017/3:00 p.m.
Conference Room 016

Senate Committee on Commerce, Consumer Protection & Health

To: Senator Rosalyn Baker, Chair
Senator Clarence Nishihara, Vice Chair

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

Re: SB 7 – Testimony in Support

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

I am writing in support of SB 7 which requires the Department of Human Services and the Department of Health to collaborate in the development of a Medicaid supportive housing services benefit plan through which Medicaid can pay for supportive housing services for Medicaid-eligible individuals, including applying to the Centers for Medicare and Medicaid Services to amend the state Medicaid plan to include supportive housing services for chronically homeless individuals. Housing instability proves to be a significant barrier to regular health care access and results in excessive use of expensive emergency department, crisis services, and inpatient treatment. The State could minimize the costs that homeless individuals incur over their lifetime by exploring innovative ways to join housing stability with health care delivery. The benefit plan in SB 7 will support service providers in more efficiently and effectively meeting the needs of Medicaid-eligible and homeless individuals.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2017 10:46 PM
To: CPH Testimony
Cc: williamrandysmith@gmail.com
Subject: *Submitted testimony for SB7 on Jan 30, 2017 15:00PM*

SB7
Submitted on: 1/27/2017
Testimony for CPH/HMS on Jan 30, 2017 15:00PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
William R Smith	Individual	Support	No

Comments:

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