



WRITTEN TESTIMONY ONLY

STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony in SUPPORT of H.B. 1895, HD1
RELATING TO HEALTH.**

SENATOR DONOVAN M. DELA CRUZ, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: Wednesday, April 4, 2018 Room Number: 211

1 **Fiscal Implications:** Up to \$315,000 for two (2) nurse surveyors and one (1) nurse supervisor
2 for FY19, plus up to \$300,000 for a two (2) year contract with an external agency approved by
3 the Centers for Medicare and Medicaid Services (CMS) to conduct initial certification and
4 recertification surveys.

5 **Department Testimony:** Thank you for the opportunity to SUPPORT this measure.

6 This bill attempts to provide the Department with three (3) additional staff positions
7 (2 surveyors and 1 supervisor) and state general funding to help complete initial certification or
8 recertification surveys (inspections) on end stage renal dialysis (ESRD) facilities and other
9 healthcare facilities under the Department's purview.

10 The number of ESRD facilities is growing significantly nationally and locally.
11 Nationally, from FFY2003 to FFY2017, the number increased 57.6% from 4,441 to 6,998.
12 There are currently twenty nine (29) facilities in Hawaii but we are unable to determine how
13 many there were in 2003. However, four (4) new facilities became certified during the past five
14 (5) years representing a 16% increase, and adding seventy eight (78) in-center dialysis stations to
15 Hawaii's inventory.

1 This bill would specifically benefit the Office of Health Care Assurance (OHCA)
2 Medicare Section. Future funding for these positions will be requested from the federal
3 government (U.S. Centers for Medicare and Medicaid Services (CMS)) since these certification
4 surveys are performed on behalf of the federal government. Federal funding would be for 80%
5 of salary, fringe benefits, and expenses to be consistent with funding of other OHCA Medicare
6 Section surveyors who perform surveys on behalf of CMS. The Department is unable to predict
7 whether future federal funds would be provided, however.

8 CMS annually provides to states its priorities on conducting certification and
9 recertification surveys on healthcare facilities. Priorities are listed by Tiers, with Tier 1 being the
10 highest priority and Tier 4 being the lowest priority. Initial certifications of new dialysis
11 facilities is a Tier 3 priority meaning that Tier 1 and Tier 2 facilities are required to be surveyed
12 first. Recertification of existing dialysis facilities is Tier 2. And each year, we start again on
13 Tier 1 facilities so that we might occasionally or perhaps only rarely get to Tier 3 facilities.

14 There are twenty nine (29) facilities throughout Hawaii with a total of 747 in-center
15 dialysis stations and they provide home dialysis to 333 home patients. The Department has
16 received requests from three (3) new facilities for initial certification, and the Department will
17 conduct these certification surveys before the summer. The initial certifications would add fifty
18 four (54) in-center stations to Hawaii's inventory. Three (3) certified facilities are requesting an
19 additional twelve (12) in-center stations or to provide in-home services for other patients. Six (6)
20 facilities are currently overdue for their Tier 2 recertification surveys, four (4) will be due during
21 calendar year 2018, and eighteen (18) will be due during calendar year 2019. CMS requires
22 dialysis facilities to be recertified at a maximum of every 3.5 years (42.9 months) at the Tier 2

1 priority and, if time allows, at an average frequency of 3.0 years for all facilities at the Tier 3
2 priority. This means that OHCA should conduct surveys at no greater than three (3) year
3 intervals.

4 To be clear, however, facilities with overdue surveys may continue to operate and bill
5 Medicare and private insurance for payments for services. An overdue survey does not require a
6 facility to cease operations, but without a survey, patients could be at risk if facilities are non-
7 compliant with federal regulations.

8 The Department is working with the U.S. Centers for Medicare and Medicaid Services
9 (CMS) on an Operational Plan to identify ways for OHCA to be able to complete the entire CMS
10 survey workload on a timely basis. Currently, OHCA only has resources available to conduct
11 Tier 1 surveys on skilled nursing facilities (SNF), some intermediate care facilities for
12 individuals with intellectual disabilities (ICF-IID) and other Tier 1 facilities, some Tier 2 or 3
13 facilities as time allows, and on some complaints. OHCA does not have the staffing resources to
14 conduct all the required surveys throughout Tiers 1 through Tier 4.

15 Significant lead time is required to hire and train surveyors. As a result, Hawaii's public
16 and dialysis patients cannot wait for the end result of the Department working with CMS before
17 adding surveyor staff. DOH could obtain and fill the staffing resources identified in this
18 measure, use state general funds in the short-term, then replace 80% of general funds with
19 federal funds once CMS approves the Operational Plan and approves funding for additional staff.
20 If CMS does not approve the Plan or funding, the state could decide at that time whether to
21 continue full general funding of the positions and OHCA could deploy the staff to other needed
22 survey activities.

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

Testimony in Support of HB1895 HD1

DATE: Wednesday, April 4, 2018
TIME: 10:30 A.M.
PLACE: Conference Room 211
State Capitol
415 South Beretania Street

Dear Chair Dela Cruz and Vice-Chair Agaran and members of the Committee on Ways and Means,

Good morning! My name is Glen Hayashida, President & CEO of the National Kidney Foundation of Hawaii (NKFH).

On behalf of NKFH, we strongly support HB1895 HD1, which provides a solution to the delays in the certification of dialysis centers. This Bill represents a community effort to understand the complexity of this issue and the development of an action plan to solve this long-standing problem. It is an effort to bring people together to help overcome a barrier to patients receiving dialysis treatment here in the State of Hawaii.

I would like to take a step back for a brief time so we all have an appreciation for what people on dialysis experience on a daily basis.....

Varying degrees of shock, anger and denial are typical reactions to the initial news of hearing from your doctor that you will need dialysis for the rest of your life in order to keep living .

After some degree of acceptance people receive dialysis treatments three times a week for an average of 4 hours per treatment.

Imagine each of us needing to accommodate such a treatment schedule into our life. Major changes in your lifestyle will need to be made not only in your life but in the lives of your family members. This does not even include all the other physicians and health professionals you need to see to address other health needs such as diabetes or cardiovascular issues.

Patients often say they feel weak, tired, and have very little drive and ambition following each treatment. Often time some level of depression sets in as they begin to live this new and restrictive lifestyle. Feelings associated with loss of control are commonly expressed.

Patients on dialysis require a lot of physical and emotional support. They have to define a "new normal" for themselves but changes are happening to and around them constantly. Medication changes, dietary restrictions, water intake restrictions, water

build up, even adjusting to not going to the bathroom. So for patients on dialysis, this is just their baseline.

For family members, a lot of time and effort not only goes into helping patients remain positive and encouraged. Then imagine hearing that a dialysis center is opening in your community and some of the relief that brings to a patient and family members. Relief from traffic, relief from early morning or late-night treatments - more than just convenience to someone who has little control over their life, more than just convenience from family members who bring their loved one to dialysis treatments 3 times a week. For patients and their caregivers, dialysis treatment starts at home when they start preparing to leave for treatment and ends when they return home. Depending on where the patient needs to be dialyzed it could add another 2-3 hours to this process. This is more than just a convenience...it is a way of life.

But with the delays in certification hope turns into frustration as we dangle this fully functional dialysis center in front of them for 2 -3 years. Instead of helping, we just add to their list of frustrations. I am certain the staff working at the dialysis centers hear over and over again, when is the new dialysis center going to open? Why is taking so long?

I believe HB1895 HD1 reflects a solution that was developed by the community by your action of bringing people together. We strongly support this bill and urge the Committee's support.

Thank you for your time and the opportunity to testify.



April 4, 2018 at 10:30 AM
Conference Room 211

Senate Committee on Ways and Means

To: Chair Donovan M. Dela Cruz
Vice Chair Gilbert S.C. Keith-Agaran

From: Paige Heckathorn
Senior Manager, Legislative Affairs
Healthcare Association of Hawaii

Re: Testimony in Support
HB 1895 HD 1, Relating to Health

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 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.

The Healthcare Association of Hawaii would like to thank the committee for the opportunity to **support** HB 1895 HD 1, which would provide the Office of Healthcare Assurance (OHCA), housed under the Department of Health, with three additional staff positions to help complete the initial certification and recertification surveys of facilities that provide dialysis services. This legislation is important in helping to meet the community demand for dialysis services.

Rates of chronic kidney disease have been rising in Hawaii and the latest data available from 2014 reveals that there were 46,400 people living with the disease in the state.ⁱ In that same year, there were 528 new diagnoses cases per 1,000,000 people in Hawaii, which represents an upward trend.ⁱⁱ While providers are focused on help to prevent chronic disease, we must also be prepared to care for those who require dialysis services immediately. Helping the OHCA to meet these demands, as this legislation does, is critical to meet that goal.

Thank you for your consideration of this matter.

ⁱ http://hhdw.org/wp-content/uploads/BRFSS_Kidney_IND_00001_2011.pdf

ⁱⁱ <http://www.hawaiihealthmatters.org/index.php?module=Indicators&controller=index&action=view&indicatorId=1619&localeId=14>

HB-1895-HD-1

Submitted on: 4/2/2018 8:01:29 PM

Testimony for WAM on 4/4/2018 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

HB-1895-HD-1

Submitted on: 4/2/2018 11:31:25 AM

Testimony for WAM on 4/4/2018 10:30:00 AM

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

Comments: