

SB2025



**EXECUTIVE CHAMBERS**  
HONOLULU

**DAVID Y. IGE**  
GOVERNOR

January 31, 2018

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

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

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

SUBJECT: **SB 2025 – RELATING TO HOMELESSNESS**

Hearing: Wednesday, January 31, 2018, 2:55 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 reports that the Department of Human Services (DHS) Med-QUEST Division is 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, as well as the Governor's Executive Budget request, which includes appropriations to the Department of Human Services (DHS) for \$3 million for Housing First statewide; and to the Department of Health (DOH) for \$800,000 for outreach and counseling services for chronically homeless persons with severe substance use disorders.

**PURPOSE:** The purpose of the bill is to require all health plans in the state, including the Hawaii Employer-Union Health Benefits Trust (EUTF) and Medicaid managed care programs, to provide coverage for the treatment of homelessness. In addition, the bill will require DHS to seek a section 1115 waiver to amend the state Medicaid plan to include housing and supportive housing services for chronically homeless individuals.

The Coordinator works closely with the DHS Med-QUEST Division (MQD) to examine issues related to healthcare coverage for persons experiencing homelessness. Specifically, MQD has submitted a request to the Center for Medicare and Medicaid Services (CMS) to amend its existing 1115 Medicaid waiver to expand eligibility for case management and supportive services for Medicaid-eligible individuals that are identified as chronically homeless.

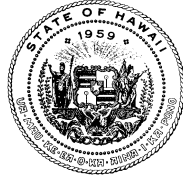
By expanding Medicaid coverage, managed care health plans could potentially pick up some of the cost of homeless outreach activities that help people attain housing, and other activities to support a person's ability to maintain housing after placement.

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.

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.

The Coordinator defers to DHS as to specific 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.



**STATE OF HAWAII**  
**DEPARTMENT OF HEALTH**  
P. O. Box 3378  
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**TESTIMONY OFFERING COMMENTS ON SB2025  
RELATING TO HOMELESSNESS**

SENATOR JOSH GREEN, CHAIR  
SENATE COMMITTEE ON HUMAN SERVICES

SENATOR ROSALYN H. BAKER, CHAIR  
SENATE COMMITTEE COMMERCE, CONSUMER PROTECTION, AND HEALTH

Hearing Date and Time: Wednesday, January 31, 2018 at 2:55 p.m. Room Number: 16

1           The Department of Health (DOH) acknowledges that homelessness is one of the  
2 State's most significant and challenging social concerns. The DOH and the Adult  
3 Mental Health Division (AMHD) partner with other state agencies and with both AMHD  
4 contracted and non-AMHD contracted community programs to address the mental  
5 health needs of individuals experiencing homelessness. Key partners include the  
6 Department of Human Services (DHS), Department of Transportation (DOT),  
7 Department of Public Safety (PSD), the City and County of Honolulu, law enforcement,  
8 and community based health and human service programs.

9           The purpose of this bill is to require, as of January 1, 2019, all health plans in the  
10 State, including the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) health  
11 plans and Medicaid managed care programs, to provide coverage for the treatment of  
12 homelessness. Additionally, this bill requires the DHS to seek a Section 1115 waiver to

1 amend the state Medicaid plan to include housing and supportive housing services for  
2 chronically homeless individuals.

3 The AMHD appreciates the intent of this bill and offers the following comments.

4 The AMHD continues its commitment to increasing and strengthening linkages to  
5 housing and community based referrals that support recovery for adults with serious  
6 mental health challenges. The AMHD Homeless Outreach providers focus their  
7 outreach efforts on locating individuals who live with Serious Mental Illness (SMI), who  
8 are chronically homeless, and who meet AMHD's eligibility criteria for AMHD funded  
9 services.

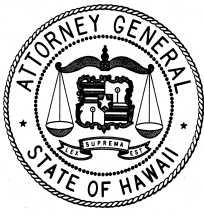
10 The AMHD asks for the Legislature's support of the Governor's Executive Budget  
11 request. In the Governor's Executive Budget request, an appropriation to the DHS for  
12 the Rapid Rehousing program is included. The Rapid Rehousing program addresses  
13 both homelessness prevention and housing replacement.

14 The AMHD defers to the Department of Commerce and Consumer Affairs  
15 (DCCA) with regard to the insurance implications of this bill and defers to the DHS with  
16 regard to the public financed health insurance and waiver implications.

17 This bill, should it become law, will not in itself increase housing or housing  
18 opportunities available to those who are currently homeless. Our state must do more to  
19 support potential providers of housing by making this critically important and indeed  
20 lifesaving resource available to individuals who are currently homeless. We ask that

1 you support measures to increase housing capacity, and healthcare capacity, as these,  
2 in our assessment, are key features to improving health outcomes.

3 We thank the committees for considering our testimony.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
TWENTY-NINTH LEGISLATURE, 2018**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 2025, RELATING TO HOMELESSNESS.

**BEFORE THE:**

SENATE COMMITTEES ON HUMAN SERVICES AND ON  
COMMERCE, CONSUMER PROTECTION, AND HEALTH

**DATE:** Wednesday, January 31, 2018 **TIME:** 2:55 p.m.

**LOCATION:** State Capitol, Room 16

**TESTIFIER(S):** Russell A. Suzuki, First Deputy Attorney General, or  
Daniel K. Jacob, Deputy Attorney General

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Chairs Green and Baker and Members of the Committees:

The Department of the Attorney General provides the following comments:

The purposes of this bill are to: (1) require health insurance policies to provide coverage for the treatment of homelessness, and (2) require the Department of Human Services to seek a section 1115 waiver to amend the state Medicaid plan to include housing and supportive housing services for chronically homeless individuals.

Section 1311(d)(3)(B) of the Affordable Care Act allows a state to require Qualified Health Plans to add benefits as long as the state defrays the cost of the additional benefits. A federal regulation, 45 CFR 155.170, provides, generally, that a benefit is in addition to the Essential Health Benefits if the benefit was required by a state after December 31, 2011, and it directly applies to Qualified Health Plans.

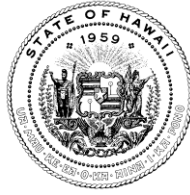
This bill would require Qualified Health Plans to include coverage for the treatment of homelessness. Because coverage for the treatment of homeless was not mandated by state law prior to December 31, 2011, it would be considered an additional mandate and the State would be required to defray the cost.

In the event a state mandates a benefit in addition to the essential health benefits, 45 CFR 155.170(c)(2)(iii) requires Qualified Health Plan issuers to quantify the cost attributable to each additional state-required benefit and report their calculations to the state. States are then required to defray the cost by either making the payment to an individual enrolled in a qualified health plan offered in the state, or on behalf of an

individual enrolled in a Qualified Health Plan directly to the Qualified Health Plan in which such individual is enrolled. At this time, our department is unaware of a state that has been subjected to the obligation to pay for a benefit in addition to the Essential Health Benefits. Therefore, there are no prior examples of how the State would meet its obligation and what specific procedures would be necessary to fulfill the obligation. Our office believes, however, that after the Qualified Health Plan issuer submits the issuer's costs attributable to the additional mandate, the Legislature would need to appropriate the money during the following legislative session and propose a mechanism in order to distribute the money.

Thank you for the opportunity to provide testimony.





DAVID Y. IGE  
GOVERNOR  
SHAN S. TSUTSUI  
LT. GOVERNOR

STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
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CATHERINE P. AWAKUNI COLÓN  
DIRECTOR  
JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

TO THE SENATE COMMITTEES ON  
HUMAN SERVICES AND  
COMMERCE, CONSUMER PROTECTION, AND HEALTH

TWENTY-NINTH LEGISLATURE  
Regular Session of 2018

Wednesday, January 31, 2018  
2:55 p.m.

**TESTIMONY ON SENATE BILL NO. 2025 – RELATING TO HOMELESSNESS.**

TO THE HONORABLE JOSH GREEN AND ROSALYN H. BAKER, CHAIRS, AND MEMBERS OF THE COMMITTEES:

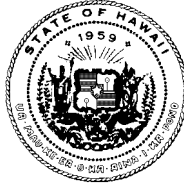
The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on S.B. 2025, Relating to Homelessness. My name is Gordon Ito, and I am the Insurance Commissioner for the Department's Insurance Division. The Department offers the following comments.

The purpose of this bill is to add a mandated health insurance benefit for treatment of "homelessness" up to a maximum benefit of an unspecified dollar amount.

The addition of a new mandated coverage may trigger section 1311(d)(3) of the federal Patient Protection and Affordable Care Act ("PPACA"), which requires states to defray the additional cost of any benefits in excess of the essential health benefits of the State's qualified health plan under PPACA.

Additionally, any proposed mandated health insurance coverage requires the passage of a concurrent resolution requesting the State Auditor to prepare and submit a report assessing the social and financial impacts of the proposed mandate, pursuant to Hawaii Revised Statutes section 23-51.

We thank the Committees for the opportunity to present testimony on this matter.



STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

January 25, 2018

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

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

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2025 – RELATING TO HOMELESSNESS**

Hearing: Wednesday, January 31, 2018, 2:55 p.m.  
Conference Room 016, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of this measure and recognizes the strong intersection between healthcare and homelessness. DHS Med-QUEST Division (MQD) is already 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. DHS asks for the Legislature's support of these efforts, as well as the Governor's Executive Budget request, which includes appropriations to DHS for \$3 million for Housing First statewide; and to the Department of Health (DOH) for \$800,000 for outreach and counseling services for chronically homeless persons with severe substance use disorders.

**PURPOSE:** The purpose of the bill is to require all health plans in the state, including the Hawaii Employer-Union Health Benefits Trust (EUTF) and Medicaid managed care programs, to provide coverage for the treatment of homelessness. In addition, the bill will require DHS to seek a section 1115 waiver to amend the state Medicaid plan to include housing and supportive housing services for chronically homeless individuals.

DHS recognizes the 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 homelessness. For this reason, in August 2017, MQD submitted a request to the Center for Medicare and Medicaid Services (CMS) to amend its existing 1115 Medicaid waiver to expand eligibility for intensive case management and supportive services for Medicaid-eligible individuals that are identified as chronically homeless. As we have already achieved the bill's mandate to submit such a request, we respectfully request that the bill offer support for these efforts.

Further, we add that 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. This would allow the entities that are currently using state funds for these activities to expand their efforts to more individuals and to cover costs that are not allowed under Medicaid.

DHS and DOH homeless outreach providers are exploring 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.



## THE QUEEN'S HEALTH SYSTEMS

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To: The Honorable Josh Green, Chair  
The Honorable Stanley Chang, Vice Chair  
Members, Committee on Human Services

The Honorable Rosalyn H. Baker, Chair  
The Honorable Jill N. Tokuda, Vice Chair  
Members, Committee on Commerce, Consumer Protection, and Health

From:  Paula Yoshioka, Vice President, Government Relations and External Affairs, The Queen's Health Systems

Date: January 31, 2018

Hrg: Senate Committee on Human Services and Senate Committee on Commerce, Consumer Protection, and Health Joint Hearing; Wednesday, January 31, 2018 at 2:55 PM in Room 16

Re: S.B. 2025, Relating to Homelessness

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My name is Paula Yoshioka and I am the Vice President for Government Relations and External Affairs for The Queen's Health Systems (Queen's). I appreciate the opportunity to provide support for the intent of S.B. 2025, Relating to Homelessness. Queen's believes any additional resources to increase capacity, improve coordination of services, and leverage current programs in the community for individuals experiencing homelessness would be a cost effective benefit to the state.

The mission of Queen's is to provide quality health care services to improve the well-being of Native Hawaiians and all the people of Hawai'i, which includes our most vulnerable and underserved patient populations like the homeless. Hawaii has the highest per capita rate of homelessness in the nation, with roughly 5,000 homeless individuals heavily distributed on Oahu and concentrated in Honolulu and on the Waianae Coast. Queen's provides the majority of medical care to our homeless population in Hawai'i. In 2015, Queen's had 10,126 homeless encounters, up from 6,958 in 2013. This represents 64% of the state's homeless hospital encounters.

Queen's has partnered with the Institute for Human Services to provide medical respite care to those experiencing homelessness through the Tutu Bert's House and Ka Uka Respite House. Both of these facilities provide a stable and transitional supervised environment for homeless patients who have been discharged from Queen's and may need additional time to heal in a more appropriate level of care setting. This partnership ensures that our patients have access to community resources and the care they need in more appropriate settings. The Centers for Medicare and Medicaid Services has recognized the merits of programs that target super utilizers and many states across the country (e.g. New Jersey, Pennsylvania, and California) have

*The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.*



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leveraged these community-based super-utilizer teams to deliver care coordination and navigation in a cost-effective manner.

The costs to the entire continuum of care—from hospitals to long-term care facilities to home-based services—of treating the homeless population are large and growing. There are still unmet needs for our homeless patients and while Queen's has been a leader in care coordination, we know that much more needs to be done within the community to close the gaps in services and supports for our homeless population. Thank you for the opportunity to testify on this measure.

*The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.*



An Independent Licensee of the Blue Cross and Blue Shield Association

January 31, 2018

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

The Honorable Josh Green, Chair  
Senate Committee on Human Services

Re: SB 2025 – Relating to Homelessness

Dear Chair Green, Chair Baker, and Members of the Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 2025, which would mandate health plans to provide coverage for the treatment of homelessness. HMSA appreciates the intent of this legislation and continues to work with stakeholders to address the issue as it relates to HMSA and Hawaii's broader healthcare system.

The plight of families and individuals experiencing homelessness is visible to everyone in the community. We too are concerned about those who lack appropriate shelter, many of whom have health concerns, including behavioral health issues and/or who suffer from substance abuse.

HMSA and the HMSA Foundation continue to actively work with community stakeholders to address homelessness. We continue working with the State Department of Health's Hawaii Pathway Project to help provide housing and services to the chronically homeless with behavioral health problems. Likewise, we have been working closely with the DHS Med-QUEST division on their efforts to develop and implement a supportive housing system via the 1115 waiver process; we applaud these efforts and continue to support similar efforts as suggested in SB 2025.

The HMSA Foundation's most recent grants include Family Promise of Hawaii for housing and support services to the homeless, HOPE Services Hawaii for housing for the homeless on Hawaii Island, and separately to Aloha Harvest and the Hawaii Foodbank to provide food support to the low-income and homeless. We also continue to be engaged in the H4 project in Iwilei; a local effort that will expand access to health care and housing related services to those most in need in urban Honolulu.

We appreciate the intent of SB 2025 to assist individuals experiencing homelessness. However, we are concerned that establishing a new mandate for coverage of the treatment of homelessness may have consequences for our members and the overall healthcare system. While the Bill defines "treatment of homelessness" and allows plans to determine medical necessity, we are uncertain as to how to clearly apply medical necessity standards to the "treatment of homelessness."

Given this is a new mandate, the Committees may wish to consider a review by the State Auditor, as is provided for under Section 23-51, HRS in order to completely understand the impact this benefit could have on the existing health care system and also determine what, if any, treatment is already available to the target population. While SB 2025 attempts to address the problem of homelessness through the healthcare system, homelessness really encompasses an array of issues: access to housing, economic security, social stability, as well as healthcare access.

Thank you for allowing us to testify on SB 2025.

Sincerely,

Pono Chong  
Vice President, Government Relations



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COMMITTEE ON HUMAN SERVICES  
COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

Wednesday, January 31, 2018, 2:55 PM, Conference Room 16  
SB 2025, RELATING TO HOMELESSNESS

**TESTIMONY**

Rosemarie Muller, President, League of Women Voters of Hawaii

Committee on Human Services Chair Green; Committee on Commerce, Consumer Protection, and Health Chair Baker; and Committee Members:

**The League of Women Voters of Hawaii strongly supports the intent of, and provides comments on SB 2025 that would require all health plans in the State, including EUTF health plans and medicated managed care programs, to provide coverage for the treatment of homelessness. It would also require the department of human services to seek a section 1115 waiver to amend the state Medicaid plan to include housing and supportive housing services for chronically homeless individuals.**

We agree that homelessness continues to be one of the State's most significant and challenging social problems and that homeless persons face a myriad of issues, including general health care, mental illness, substance abuse, loss of employment and income, and a lack of affordable housing. We also agree that many people who experience homelessness have high health care needs and costs and that for individuals with complex health conditions, housing instability can be a significant barrier to regular health care access.

It is critically important that we recognize the importance of housing stability within the practice of health care for homeless individuals and also explore creative and innovative solutions to address homeless individuals' health care needs, taking into account the significant nexus between homelessness and high health care needs and costs.

Although SB 2025 provides an opportunity to explore and pursue an innovative approach to addressing a critical aspect of homelessness, we respectfully suggest that the committees consider providing provisions in the proposed measure that would phase in health plan requirements for the medical treatment of homelessness, or in the alternative, carry out a pilot program for such treatment options. This would facilitate sustainable and necessary adjustments going forward.

Thank you for the opportunity to submit testimony.





**Testimony to the Senate Joint Committee on Commerce, Consumer Protection, and  
Health and Human Services  
Wednesday, January 31, 2018; 2:55 p.m.  
State Capitol, Conference Room 016**

**RE: COMMENTS ON SENATE BILL NO. 2025, RELATING TO HOMELESSNESS.**

Chair Baker, Chair Green, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA offers the following **COMMENTS** on Senate Bill No. 2025, RELATING TO HOMELESSNESS.

Among other things, the bill, as received by your Committee, would require the Department of Human Services to seek a waiver pursuant to Section 1115 of the Social Security Act, and other approvals from the Centers for Medicare and Medicaid Services that may be necessary to amend the State Medicaid Plan to include housing and supportive housing services for medicaid eligible individuals, especially individuals experiencing chronic homelessness.

Federally Qualified Health Centers (FQHCs) provide desperately needed medical services at the frontlines in rural communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of health.

Because the majority of our patients are Medicaid recipients, reimbursement for services provided at FQHCs is extremely complex given the multiple streams of funding received from the federal and State governments. The availability of funding is often volatile due to changes in federal and State laws as well as the manner in which these laws are implemented and enforced. In this environment, it is not only prudent but necessary for the State to seek new sources of funding and devise creative ways of capturing and securing resources.

**Presently, staff has not yet had an opportunity to fully discuss the larger policy ramifications of this measure with our Board of Directors. As such, we will continue to monitor this issue and stand committed to participating in the discussion should this measure move forward.**

In advance, thank you for your consideration of our testimony.

**SB-2025**

Submitted on: 1/23/2018 11:17:54 PM

Testimony for CPH on 1/31/2018 2:55:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
De MONT R. D. CONNER	Ho'omanapono Political Action Committee (HPAC)	Support	No

Comments:

**SB-2025**

Submitted on: 1/29/2018 8:58:02 AM

Testimony for CPH on 1/31/2018 2:55:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Joan Gannon	West Hawaii CHC	Support	No

Comments:

I support SB2025

**SB-2025**

Submitted on: 1/24/2018 10:57:35 AM

Testimony for CPH on 1/31/2018 2:55:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez		Support	No

Comments: