

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of SB2891 SD1 HD2
RELATING TO TELEHEALTH.**

REP. SYLVIA LUKE, CHAIR
HOUSE COMMITTEE ON FINANCE

Hearing Date: April 3, 2018

Room Number: 308

1 **Fiscal Implications:** Proposed budget of \$90,000 per pilot site, for two sites, totaling \$180,000.

2 **Department Testimony:** The Department of Health supports SB2891 SD1 HD2, which is to
3 promote telehealth as a community standard of care in Hawaii by way of a pilot project, but
4 defers to the Governor's Supplemental Budget Request for fiscal priorities.

5 Hawaii enacted laws in 2014 and 2016 that created a policy environment supportive of telehealth
6 which is among the most progressive in the nation. In addition, telecommunications technology
7 has become more affordable, reliable, and secure. However, as of 2017, no more than 15% of
8 Hawaii's provider report a telehealth experience, and it is very likely that a much lower
9 percentage have routine exposure or have integrated it into their practice.

10 Preliminary findings from the 2017 Hawaii Telehealth Summit reveal that provider and patient
11 knowledge, attitudes, and behaviors are key determinants in increasing telehealth adoption rates.
12 Essentially, do health care providers understand how telehealth will improve patient care and
13 impact their practice; and do patients know enough to demand the convenience of telehealth
14 visits? Low telehealth adoption rates corroborate the sense of problem.

15 Therefore, the department supports demonstration projects throughout the state, in partnership
16 with the private sector, to expose providers and patients to telehealth, create telehealth-savvy
17 workforce, and learn how different populations react to and accept telehealth services. Kupuna,
18 for example, generally have more complex medical needs, greater mobility issues, and less
19 experience with telecommunications modalities like smartphones.

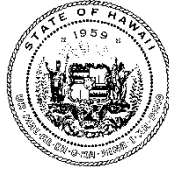
1 The department is in preliminary discussions with a federally qualified health center in a central
2 Oahu medically underserved area to plan for a telehealth pilot to serve home-bound kupuna that
3 is expected to reduce long-term health care costs and improve quality of life. The preliminary
4 budget per site is as follows:

- 5 • \$20,000 clinic equipment costs: Cameras, remote telemetric diagnostic equipment,
6 hotspots, laptops
- 7 • \$30,000 staffing costs: Community Health Worker/resident stipend and/or case rate
- 8 • \$15,000 patient supplies, including marketing outreach and telehealth education
- 9 • \$25,000 evaluation services to include marketing and publishing of results to the local
10 health care community and throughout the State.

11 Long-term sustainability after pilot funds expire is to be provided by the existing health care
12 system that, as described above, now reimburses telehealth at rates equivalent to face-to-face
13 visits. Pilot funds will enable project partners to mitigate the technology and workflow redesign
14 costs, as well as enrich Hawaii's provider community with practical telehealth and workforce-
15 building lessons to be published by project participants.

16 **Offered Amendments:** N/A.

DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR
MARA SMITH
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>
Twitter: [@hawaiispo](https://twitter.com/hawaiispo)

TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
FINANCE

APRIL 3, 2018, 1:30 PM

SENATE BILL 2891, SD1, HD2
RELATING TO TELEHEALTH

Chair Luke, Vice-Chair Cullen, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 2891, SD1, HD2. The State Procurement Office (SPO) supports the intent of this bill and has comments about the exemption language on page 3, SECTION 2, lines 15 to 21.

The SPO appreciates that pilot programs of a period of 3 years or less should be authorized an exemption to the procurement code for the purpose of actuating the mission within that period. However, in order to prevent the department from procuring exempt contracts for a period of performance beyond the pilot, the SPO recommends the following verbiage be added to Section 2(d):

“(d) Chapters 103D and 103F, Hawaii Revised Statutes, shall not apply to procurements made pursuant to this Act for a period of twelve months following the effective date of this Act; provided that the department of health shall obtain goods and services for this pilot project only in a manner that is cost-effective and provides the most benefit to the pilot program on contractual terms that are most advantageous to the State, and where the period of performance of these procurements does not exceed the term of the pilot project.”

Thank you.

Harry Kim
Mayor



Wil Okabe
Managing Director

Barbara J. Kossow
Deputy Managing Director

County of Hawai'i
Office of the Mayor

25 Aupuni Street, Suite 2603 • Hilo, Hawai'i 96720 • (808) 961-8211 • Fax (808) 961-6553
KONA: 74-5044 Ane Keohokālole Hwy., Bldg C • Kailua-Kona, Hawai'i 96740
(808) 323-4444 • Fax (808) 323-4440

April 2, 2018

Representative Sylvia Luke, Chair
Committee on Finance
Hawai'i State Capitol, Room 308
Honolulu, HI 96813

Representative Ty J.K. Cullen, Vice-Chair
Committee on Finance
Hawai'i State Capitol, Room 308
Honolulu, HI 96813

Dear Chair Luke, Vice-Chair Cullen, and Committee Members:

Re: SB 2891, SD 1, HD 2 Relating to Relating to Telehealth
Hearing Date: 04/03/2018 – 1:30 pm; House Conference Room 308

Thank you for the opportunity to testify in support of SB 2891, SD 1, HD 2.

In spite of dedicated efforts over the years, Hawai'i continues to have a chronic shortage of health care providers, and the shortage apparently is only getting worse. Telehealth, while not a silver bullet, has the potential to alleviate some of the unmet health care needs that exist, particularly in rural areas.

The direct benefit to patients is obvious, but telehealth can also help providers by offering expertise and backup that make it possible for those providers to work in under-resourced areas, comfortable in the knowledge that they are able to provide high quality care in spite of their remote location.

Enhancing telehealth is a positive step forward, and your encouragement of its growth would be beneficial in more ways than one.

Respectfully submitted,

Harry Kim
Mayor, County of Hawai'i



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
Tuesday, April 3, 2018 at 1:30 p.m.

By

Jerris Hedges, MD
Professor & Dean

John A. Burns School of Medicine

And

Michael Bruno, PhD
Interim Vice Chancellor for Academic Affairs and
Vice Chancellor for Research
University of Hawai'i at Mānoa

SB 2891 SD1 HD2 – RELATING TO TELEHEALTH

Chair Luke, Vice Chair Cullen, and members of the committee:

SB 2891 SD1 HD2 appropriates funds to the Department of Health (DOH) to conduct a pilot project on telehealth to expand accessibility to health care in our rural communities and the neighbor islands. The University of Hawai'i John A. Burns School of Medicine (JABSOM) strongly supports SB 2891 SD1 HD2.

The proposed telehealth pilot is welcome and sorely needed in rural and remote communities, as well as communities with little access to medical, mental health and oral health services. According to the 2016 Hawai'i Primary Care Needs Assessment Data Book, most rural communities in O'ahu, as well as on the neighbor islands have higher percentages of populations receiving public assistance (health care covered by Quest or Medicaid FFS) compared to the State average. Per capita household income is lower which may contribute to the numerous transportation barriers seen in rural communities. Rural communities and underserved communities throughout Hawai'i have higher rates of obesity, heavy drinking, diabetes and blood pressure compared to more affluent or urban communities. Death from heart disease, cancer and stroke also tend to be higher in all neighbor islands, as well as rural O'ahu communities. Hospital admissions for substance-related disorders and mood disorders are also higher than Honolulu-county or statewide rates.

Many of the highest-risk patients reside in Medically Underserved Areas (MUA), are part of Medically Underserved Populations (MUP), or reside in federally-designated health professional shortage areas. Telehealth would benefit many in these communities. Elderly, as well as medically- and socially-complex patients often face transportation barriers and difficulty navigating our collective system of health care. These determinants of health, as well as social- or cultural-isolation can often impede seeking care or follow-up after a doctor's appointment or hospitalization. Being able to provide

telehealth services at community health centers or in the home has tremendous potential for improving the health of patients, their families, as well as providing cost-savings to the entire health system by avoiding emergency department or hospitalization costs.

Telehealth has the potential to improve follow-up post-hospitalization (and prevent additional emergency department or hospital visits), provide closer monitoring of patients who would benefit from multi-disciplinary team based care, especially if periodically coupled with home visits by trained nurses, community health workers or physicians. In the Veteran's Administration population, telehealth to rural areas has shown a 58% reduction in hospital bed-days care and a 32% reduction in hospital admissions (Slabodkin, 2016)¹. A successful series of telehealth pilots – on the neighbor islands and in a rural/underserved community on O'ahu – while simultaneously building a telehealth provider network across the State, would likely realize similar financial gains and long-term improvement in some health outcomes.

Hawai'i's Medicaid and Quest plans pay for telehealth visits as a covered benefit under Act 226 (SLH, 2016) - including reimbursement for behavioral health, primary care, specialty care that is provided by physicians, advanced practice registered nurses, psychologists, mental health providers, dentists and other oral health providers. In Hawai'i, telepsychiatry helps to address the mental health needs of children on most neighbor islands, as well as students in home- and school-based settings on the islands of Maui, Moloka'i and Lāna'i and O'ahu. Conditions treated in the schools, home and in the Department of Health's mental health clinics include developmental disabilities and severe mental illness.

Several clinical departments at JABSOM provide telehealth services to remote areas of Hawai'i and the US Pacific. We already partnered with the Hawai'i State Department of Health in the development of the Hawai'i State Telehealth Plan. JABSOM, as part of the fabric of Hawai'i, looks forward to working with many partners in support of *Maika'i Loa: Attain Lasting Optimal Health for All* (ALOHA).

Thank you for the opportunity to provide testimony on this bill.

¹ Slabodkin, G. (2016). VA expanding telehealth to meet growing needs of veterans. Health Data Management. Retrieved from <https://www.healthdatamanagement.com/news/va-expanding-telehealth-to-meet-growing-needs-of-veterans>.



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April 3, 2018

The Honorable Sylvia Luke, Chair
The Honorable Ty J. K. Cullen, Vice Chair
House Committee on Finance

Re: SB 2891, SD1, HD2 – Relating to Telehealth

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of SB 2891, SD1, HD2 which appropriates funds for the Department of Health to conduct a telehealth pilot project.

HMSA supports the Committee's efforts to promote telehealth as a viable solution to maximizing existing local resources, and increasing patient convenience and compliance.

Thank you for allowing us to comment on SB 2891, SD1, HD2.

Sincerely,

Pono Chong
Vice-President, Government Relations



Dr. Cyndy Endrizal, PhD, MPH, RDN, LD, FAND
Chief Quality Officer and Dietitian
Wahiawā Center for Community Health
cendrizal@wahiawahealth.org
Cell: (808) 223-3957

302 California Ave. Wahiawā, HI 96786
www.wahiawahealth.org
Ph: (808) 622-1618

1 HOUSE OF REPRESENTATIVES
2 THE TWENTY-NINTH LEGISLATURE
3 REGULAR SESSION OF 2018
4 COMMITTEE ON FINANCE
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Rep. Ty J.K. Cullen, Vice Chair

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Rep. Bertrand Kobayashi

5 HEARING

DATE/TIME: Tuesday, April 3, 2018; 1:30PM
PLACE: Conference Room 308; State Capitol

6 **Testimony in SUPPORT of SB2891, SD1, HD2**
7 **RELATING TO TELEHEALTH**

8 **Health Center Testimony:** The Wahiawā Center for Community Health (aka Wahiawā Health)
9 is in **full support** of SB2891, SD1, HD1, relating to a telehealth pilot project. Wahiawā Health
10 would like to be considered as one site of the pilot project.

11 **Telehealth care is a viable intervention model that should be utilized more in Hawai'i,** given
12 our challenges with access to health care. Telehealth care is a modality to **effectively engage**
13 **otherwise difficult-to-reach populations, such as older adults and people experiencing**
14 **homelessness, in self-care of behavioral health and chronic disease management.**

15 **Older adults,** who are confined to their home by illness and disability, are an important
16 component of the overall health care system. This group makes up approximately 69% of the
17 home health care population in the United States and is associated with significant health care
18 costs. Older adults confined to their homes, generally have intricate medical needs, medical

1 comorbidities, high rates of depression, and are frequent users of health services. Left untreated,
2 their health status may lead to exacerbation of medical conditions, deterioration in physical and
3 social functioning, and an increased risk for mental health problems, rehospitalization, and
4 mortality. **In Hawai'i, these concerns are REAL. A recent needs assessment in Wahiawā**
5 **found that school-aged children are missing days of school to take their home-bound**
6 **Kupuna to the doctor, on the bus – for many proving to be a difficult, all-day venture.**

7 Robust scientific literature on telehealth informs us with models on how to integrate telehealth
8 into the homes of home-bound patients diagnosed with heart, chronic respiratory failure and
9 other chronic diseases. The potential **outcomes** for telehealth care include engagement of family
10 members for support, screening for risk factors, integration of multi-disciplinary care including
11 referrals, education on disease management and nutrition, assessment of emergency department
12 use and hospital readmissions – **resulting in more cost effective care over time.**

13 In Hawai'i, we need research on the barriers of telehealth services specific to our populations
14 served, particularly in the underserved regions. The service area of Wahiawā Health holds a
15 **Medical Underservice Scoring of 64.1, the highest of all areas designated Medically**
16 **Underseved Population (MUP) on O'ahu.** Services currently offered at Wahiawā Health are
17 Family Medicine, Obstetrics & Gynecology, Pediatrics, Nutrition, Behavioral Health, and
18 Podiatry.

19 To address the needs of our **patients experiencing homelessness**, in partnership with Project
20 Vision, ALEA Bridge and Surfing the Nations, Wahiawā Health provides a venue for the mobile
21 hygiene van – HieHie. While providing showers, clean clothes and outreach, we encourage those
22 experiencing homelessness to come in or come back for health care. This is a difficult population
23 to reach – many are shy or have issues with trust and feelings of shame. Mental illness is a
24 barrier in this community, also fear of leaving their camp and belongings for fear of camp
25 sweeps. **With the use of smart phones, they may be more willing to receive services via**
26 **telehealth.** Through this experience, in developing relationships of trust, eventually they may
27 feel more comfortable to come in for services at the health center.

1 This telehealth pilot project would set of trajectory of new learning opportunities and research in
2 a very underserved/high need region on O'ahu. Furthermore, this project would inform and build
3 capacity/knowledge/attitude/behaviors around the practice of telehealth throughout the State.
4 And lastly, this pilot project is expected to set precedent on providing health care in a more cost
5 effective mode, thereby, bending the cost curve resulting in a wise investment for health care
6 organizations.

7 Our mission is “In the spirit of Aloha and compassion, Wahiawā Health provides **access** to
8 affordable, quality health care and wellness services to promote a healthy community.”

9 Please consider full support of SB 2891, SD1, HD2 and Wahiawā Health as a site for the pilot
10 project.

11 **Offered Amendments:** N/A.



**Testimony to the House Committee on Finance
Tuesday, April 3, 2018; 1:30 p.m.
State Capitol, Conference Room 308**

RE: SUPPORTING SENATE BILL NO. 2891, HOUSE DRAFT 2, RELATING TO TELEHEALTH.

Chair Luke, Vice Chair Cullen, 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 **SUPPORTS** Senate Bill No. 2891, House Draft 2, RELATING TO TELEHEALTH.

The bill, as received by your Committee, would:

- (1) Require the Department of Health (DOH) to implement a telehealth pilot project (Project);
- (2) Provide that the Project assist residents at two distinct project sites, each serving a medically underserved area designed by the U.S. Department of Health and Human Services and include at least one federally qualified health center or rural health clinic in each Project site;
- (3) Clarify that one site be located in a rural county, and the other site be located in an urban county;
- (4) Require DOH to evaluate the Project outcomes, including the quality of care, patient satisfaction, training and workforce development issues, and financial sustainability of telehealth activities within six months of the exhaustion of all project funds;
- (5) Provide exemptions from Chapters 103D and 103F, Hawaii Revised Statutes, for procurement made for a period of twelve months following the effective date so long as the DOH obtains goods and services for the pilot project only in a manner that is cost-effective and provides the most benefit on contractual turns that are most advantageous to the State and where the period of performance of all procurements does not exceed the term of the pilot project;

Testimony on Senate Bill No. 2891, House Draft 2

Tuesday, April 3, 2018; 1:30 p.m.

Page 2

- (6) Appropriate an unspecified amount of general funds for fiscal year 2018-2019, to be expended by DOH, for the Project; and
- (7) Take effect on July 1, 2050, to facilitate continued discussion.

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.

The State of Hawaii is experiencing a severe shortage of health care professionals in the workforce, especially in rural areas. Recent studies note that the current shortage of physicians is at 20% of the total full-time equivalent positions throughout the State. The shortage is especially severe in the fields of primary care, infectious diseases, colorectal surgery, pathology, general surgery, pulmonology, neurology, neurosurgery, orthopedic surgery, family medicine, cardiothoracic surgery, rheumatology, cardiology, hematology/oncology, and pediatric subspecialties of endocrinology, cardiology, neurology, hematology/oncology, and gastroenterology.

This bill would demonstrate the use of technology in bridging geographical distances and mitigating the isolation of rural communities. FQHCs recognize the enormous potential that telehealth has in improving the quality, availability, and accessibility of health care services, especially as they relate to specialty care. In fact, the Lanai Community Health Center, an HPCA member FQHC, currently provides telehealth psychiatric services via telehealth on a fee-for-service basis. Others, including Hamakua/Kohala Health Center, and West Hawaii Community Health Center are looking into the feasibility of integrating telehealth psychiatric services in these areas.

Telehealth also holds possibilities in the provision of dermatology, dentistry, and other fields of medicine, as demonstrated in practice on the mainland United States and internationally. Yet, because this is a relatively new development, insurance reimbursement, especially as it pertains to Medicaid beneficiaries, has many challenges that need to be worked out.

Will the federal government allow for prospective payment system reimbursement rates to be authorized for services provided via telehealth at an FQHC? Can State law require reimbursement for dental services provided to a Medicaid recipient via telehealth (as specified under the parity law enacted last year), when the Department of Human Services has not yet reinstated Medicaid coverage for adult dental services?

Testimony on Senate Bill No. 2891, House Draft 2
Tuesday, April 3, 2018; 1:30 p.m.
Page 3

It is our hope that the Project established pursuant to this bill will provide DOH the opportunity to work out many of these issues so that the State of Hawaii will truly become the leader in telehealth that it has the potential of being.

For these reasons, we **SUPPORT** this measure and urge your favorable consideration.

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



HAWAII CHAPTER - AMERICAN PHYSICAL THERAPY ASSOCIATION

(800) 554-5569 x13 • www.hapta.org • info@hapta.org

**SB2891sd1, hd2, Relating to Telehealth
House FIN Committee Hearing – Agenda 4
Tuesday, April 3, 2018 – 1:30pm
Room 308
Position: Support**

Chair Luke, Vice Chair Cullen, and the members of the House FIN Committee:

I am Gregg Pacilio, PT and Board President of the Hawaii Chapter of the American Physical Therapy Association (HAPTA), a non-profit professional organization serving more than 340 member Physical Therapists and Physical Therapist Assistants. Our members are employed in hospitals and health care facilities, the Department of Education school system, and private practice. We are movement specialists and are part of the spectrum of care for Hawaii, and provide rehabilitative services for infants and children, youth, adults and the elderly. Rehabilitative services are a vital part of restoring optimum functioning from neuromusculoskeletal injuries and impairments.

HAPTA **supports** the appropriation of funds for the Department of Health to conduct a telehealth pilot project. We feel this is a necessary step to show how cost effective and time-efficient health care can be via telehealth as well as introduce it and in some cases increase the use of telehealth. We hope that this project demonstrates that we can provide the outer communities of Hawai'i with quality health care, not currently available in those areas, at a lower cost.

If this project proves to be successful, we can share those savings with those in need. This is consistent with the shift to provide lower cost, higher volume care to offset the lower volume higher cost trend in health care. With projects like this, we hope to see that the quality of care is not lost with the rise of new technologies.

Your support of SB 2891sd1,hd2 is appreciated. Thank you for the opportunity to testify. Please feel free to contact Marco Adame Jr., HAPTA's Practice Issue Lead at (213) 840-9226 for further information.



HAWAII SUBSTANCE ABUSE COALITION

SB2891 SD1 HD2 Telehealth Pilot

COMMITTEE ON FINANCES:

- Representative Sylvia Luke, Chair; Representative Ty Cullen, Vice Chair
- Tuesday, April 3, 2018: 1:30 pm
- Conference Room 308

Hawaii Substance Abuse Coalition (HSAC) Supports SB2811 SD1:

GOOD MORNING CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization of almost 40 alcohol and drug treatment and prevention agencies.

Telebehavioral health is an evidence-based practice that makes sense for Hawaii given our geographical and population distribution.

Telehealth is essential to help safety net providers and rural clinics understand and adopt services. In urban areas, it is the preferred method for the younger generation and for rural places, it provides needed care for underserved areas.

Given the magnitude of the untreated issues, key to effective services is that implementation include telehealth services for substance use disorders as well as mental health. 1

Key to implement a telebehavioral health program is to:

- Identify one or more of the telehealth service models that are clinically appropriate.
- Engage stakeholders needed to provide services.
- Address reimbursement issues and regulatory environments.
- Coordinate telehealth activities with various provider and government partners.

We appreciate the opportunity to provide testimony and are available for questions.

1 SAMHSA-HRSA: Center for Integrated Health Solutions: <https://www.integration.samhsa.gov/operations-administration/telebehavioral-health#1>

SB-2891-HD-2

Submitted on: 4/2/2018 1:32:05 PM

Testimony for FIN on 4/3/2018 1:30:00 PM

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

Comments: