

# SB2891

Measure Title: RELATING TO TELEHEALTH.

Report Title: DOH; Telehealth; Pilot Program; Appropriation (\$)

Description: Appropriates funds for the Department of Health to conduct a telehealth pilot project.

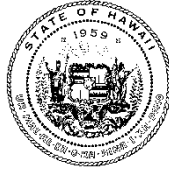
Companion:

Package: None

Current Referral: CPH, WAM

Introducer(s): DELA CRUZ, INOUYE, KIDANI, S. Chang, Galuteria, K. Kahele, Nishihara, Wakai

DAVID Y. IGE  
GOVERNOR



SARAH ALLEN  
ADMINISTRATOR  
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TESTIMONY  
OF  
SARAH ALLEN, ADMINISTRATOR  
STATE PROCUREMENT OFFICE  
TO THE SENATE COMMITTEE  
ON  
COMMERCE, CONSUMER PROTECTION, AND HEALTH  
FEBRUARY 1, 2018, 9:30 AM  
SENATE BILL 2891  
RELATING TO TELEHEALTH

Chair Baker, Vice-Chair Tokuda, and members of the committee, thank you for the opportunity to submit testimony on SB 2891. The State Procurement Office (SPO) opposes the bill due to the exemption language on page 3, SECTION 2, lines 14 to 15 set forth below.

“(d) Chapters 103D and 103F, Hawaii Revised Statutes, shall not apply to procurements made pursuant to this Act.”

The SPO objects to the procurement exemption and testifies that the technology and equipment for this program should be competitively procured.

The Hawaii Public Procurement Code (code) is the single source of public procurement policy to be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure and transparency in the procurement and contracting process vital to good government.

Public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion, or fraud in awarding of contracts. To legislate that any one entity should be exempt from compliance with both HRS chapter 103D and 103F conveys a sense of disproportionate equality in the law's application.

Exemptions to the code mean that all procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those procurements processes provided in the code. It means that there is no requirement for due

diligence, proper planning or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost savings efficiencies found in the consistent application of the procurement code are lost. It also means Agencies are not required to adhere to the code's procurement integrity laws.

The National Association of State Procurement Officials state: "Businesses suffer when there is inconsistency in procurement laws and regulations. Complex, arcane procurement rules of numerous jurisdictions discourage competition by raising the costs to businesses to understand and comply with these different rules. Higher costs are recovered through the prices offered by a smaller pool of competitors, resulting in unnecessarily inflated costs to state and local governments."

When public bodies, are removed from the state's procurement code it results in the harm described above. As these entities create their own procurement rules, businesses are forced to track their various practices. Moreover, a public body often can no longer achieve the benefits of aggregation by using another public body's contract because different state laws and regulations may apply to the various public bodies making compliance more difficult.

Each year new procurement laws are applied to state agencies causing state agency contracts to become more complex and costly, while other public bodies, such as agencies with strong legislative influence, are exempted. Relieving some public bodies from some laws by exempting or excluding them from compliance with a common set of legal requirements creates an imbalance wherein the competitive environment becomes different among the various jurisdictions and the entire procurement process becomes less efficient and costlier for the state and vendors.

Thank you.

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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January 26, 2018

Senator Rosalyn H. Baker, Chair  
Committee on Commerce, Consumer Protection, and Health  
Hawai'i State Capitol, Room 230  
Honolulu, HI 96813

Dear Chair Baker and Committee Members:

RE: **SB 2891, Relating to Telehealth**  
**Public Hearing: 02-01-18; 9:30 am – Conf. Rm. 229**

Thank you for the opportunity to testify in support of SB 2891.

In spite of dedicated efforts over the years, Hawaii 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 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 underserved 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



**Testimony to the Senate Committee on Commerce, Consumer Protection, and Health  
Thursday, February 1, 2018; 9:30 a.m.  
State Capitol, Conference Room 229**

**RE: SUPPORTING SENATE BILL NO. 2891, RELATING TO TELEHEALTH.**

Chair Baker, Vice Chair Tokuda, 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, 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) Mandate the Project to utilize telehealth as the primary means of delivering health care;
- (3) 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;
- (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; and
- (5) Appropriate an unspecified amount of general funds for fiscal year 2018-2019, to be expended by DOH, for the Project.

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.

**Testimony on Senate Bill No. 2891**

**February 1, 2018; 9:30 a.m.**

**Page 2**

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?

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.



**SB2891 Telehealth Pilot:** Appropriations for telehealth pilot.

SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION AND HEALTH:

- Senator Rosalyn Baker, Chair; Senator Jill Tokuda, Vice Chair
- Thursday, February 1<sup>st</sup>, 2018: 9:30 a.m.
- Conference Room 229

**HAWAII SUBSTANCE ABUSE COALITION (HSAC) Supports SB2891:**

*GOOD MORNING CHAIR BAKER, VICE CHAIR TOKUDA AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide hui of almost 40 non-profit 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.<sup>1</sup>

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.

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



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

SENATOR ROSALYN BAKER, CHAIR  
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH  
Hearing Date: February 1, 2018 Room Number: 229

1 **Fiscal Implications:** Unspecified appropriations request.

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

5 In 2011, Senator Daniel Inouye sought a community health center in Wahiawā, a designated  
6 rural community by the United States Department of Agriculture (USDA) and designated as a  
7 Medically Underserved Population (MUP) by Health Resources and Services Administration  
8 (HRSA). *The service area of Wahiawā Health holds a Medical Underservice Scoring of 64.1, the*  
9 *highest of all areas designated MUP on O‘ahu.* Population groups designated MUP demonstrate  
10 substantial socioeconomic barriers to health care access which inevitably produce higher rates of  
11 chronic disease. Lack of access to care leads residents to neglect health care – particularly  
12 preventive care, waiting until their situation is emergent. With regard to preventive screening,  
13 48.1% of the area’s population has not been tested for blood sugar or diabetes in the past three  
14 years, demonstrating a need for appropriate screening and prevention services. Given the  
15 historical absence of affordable primary care in Wahiawā, many Medicaid and uninsured patients  
16 still assume that to seek health care they must either drive to Waipahu, to the Waipahu Family  
17 Health Center, or beyond, to Honolulu – a 2-hour bus ride, one-way.

18 Wahiawā Health recently became a Federally Qualified Health Center on January 1st , 2018.  
19 Services currently offered are Family Medicine, Obstetrics & Gynecology, Pediatrics, Nutrition,  
20 Behavioral Health, and Podiatry.



1 As Wahiawā Health ramps up its services and programs, we are in search of new and innovative  
2 ways to provide services to our community. We realize the need to rebuild relationships with our  
3 community in their comfort zones, perhaps in their own homes. We recognize our patients come  
4 from various cultures and walks-of-life. Some may not trust our health system, particularly those  
5 who have recently migrated from the Pacific Island region (Chuukese, Marshallese). To make  
6 connections, we need to go to them, get to know them, build trust and create a safe space for  
7 them to build healthier lives. The telehealth project is perfect for this bridging-the-gap approach.

8 One focus for Wahiawā Health is our Kupuna. Issues that keep them from coming to the health  
9 center are lack of transportation, cognitive impairment, language barriers, and possibly  
10 depression and/or physical weakness. A recent needs assessment of our service area indicates  
11 that most elderly live at home with their multi-generational families. Young children are missing  
12 days of school to care for their Kupuna and escorting them on buses to town for medical  
13 appointments. Common issues for our Kupuna are depression, dehydration, malnutrition and  
14 frequent falls (secondary to weakness). Kupuna also suffer from chronic diseases such as  
15 diabetes and hypertension and struggle with their medication regimens and other related care  
16 issues at home.

17 Telehealth medicine via Wahiawā Health would bring our services of primary care, behavioral  
18 health and nutrition services into the homes of our Kupuna and others in need who are otherwise  
19 unable to physically come to our health center.

20 Telehealth medicine via Wahiawā Health would also provide unique educational experiences for  
21 our Nursing, Nutrition and Medical students whom we currently have partnerships with at the  
22 University of Hawai‘i (UH) at Mānoa and the UH John A. Burns School of Medicine.

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

25 Please consider full support of SB 2891 and Wahiawā Health as a site for the pilot project.

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

**SB-2891**

Submitted on: 1/30/2018 4:55:42 AM

Testimony for CPH on 2/1/2018 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Teresa Parsons		Support	No

Comments:

Chair Baker and members of the committee,

I stand in support of this pilot project to extend telehealth to the people of Hawai'i. Telehealth benefits are well documented to improve access to medically underserved communities. A colleague of mine works full time with the Department of Defense on Oahu to engage military and their families across the islands and the Pacific to deliver critically important psychiatric healthcare. The benefits include improved access, lower incidence of missed appointments, and decreased need to travel distances to receive care. The people of Hawai'i deserve forward thinking technologies to improve access to care.

I appreciate the opportunity to submit testimony in support of this pilot project as outlined in SB 2891.

**SB-2891**

Submitted on: 1/31/2018 11:16:31 AM

Testimony for CPH on 2/1/2018 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kyle-Lee Ladao		Support	No

Comments:

**SB-2891**

Submitted on: 1/31/2018 2:23:44 PM

Testimony for CPH on 2/1/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Leanne Fox		Support	No

Comments:

**I SUPPORT SB2891 Relating to Telehealth.**

Telehealth is a way to reach out to community members that are not able to go out and get healthcare, especially kupuna and disabled persons.

I recommend the pilot site be considered at The Wahiawā Center for Community Health as one site for this pilot program. It has recently been designated as a Federally Qualified Health Center. Wahiawā is a medically underserved area designated by the United States Department of Health. Therefore, this program can immediately help to expand services and improve quality during this phase via Telehealth resources while meeting the criteria set forth within this bill.

Telemedicine has been growing rapidly because it offers four fundamental benefits:

- **Improved Access** – For over 40 years, telemedicine has been used to bring healthcare services to patients in distant locations. Not only does telemedicine improve access to patients but it also allows physicians and health facilities to expand their reach, beyond their own offices. Given the provider shortages throughout Hawai'i--in both rural and urban areas--telemedicine has a unique capacity to increase service to millions of new patients.
- **Cost Efficiencies** – Reducing or containing the cost of healthcare is one of the most important reasons for funding and adopting telehealth technologies. Telemedicine has been shown to reduce the cost of healthcare and increase efficiency through better management of chronic diseases, shared health professional staffing, reduced travel times, and fewer or shorter hospital stays, especially on O'ahu with its traffic issues.
- **Improved Quality** – Studies have consistently shown that the quality of healthcare services delivered via telemedicine are as good those given in traditional in-person consultations. In some specialties, particularly in mental health and behavioral health, telemedicine delivers a superior product, with greater outcomes and patient satisfaction.
- **Patient Demand** – Consumers want telemedicine. The greatest impact of telemedicine is on the patient, their family and their community. Using telemedicine technologies reduces travel time and related stresses for the patient. Over the past 15 years, study after study has documented patient

satisfaction and support for telemedical services. Such services offer patients the access to providers that might not be available otherwise, as well as medical services without the need to travel long distances.

Therefore, I respectfully urge the Committee to **PASS SB2891**.

Mahalo, Dr. Leanne Kealoha Fox

**Chair Rosalyn H. Baker**  
**Vice-Chair Jill N. Tokuda**  
**Senate Committee on Commerce, Consumer Protection, and Health**

**January 31, 2018**

**TESTIMONY IN SUPPORT OF SB 2891 RELATING TO TELEHEALTH**

Dear Chair Baker, Vice-Chair Tokuda, and Members of the Committee,

My name is Clementina D. Ceria-Ulep. I want to express my **support for SB 2891**. This bill will appropriate funds for the Department of Health to conduct a telehealth pilot project. I am a nurse by training and my research area is on healthy aging.

The focus of the pilot will be on a vulnerable population, the elderly with behavioral health problems (depression) and nutrition issues (dehydration, malnutrition, falls). The elderly experience barriers to provider access due to limited financial resources, physical limitations, and disability. Hence, the value of Telehealth that will overcome some of these barriers.

I humbly ask all Committee members to support this bill because this measure address access to care needs of the elderly!

Thank you for considering my testimony.

Sincerely,

*Clementina D. Ceria-Ulep*  
**Clementina D. Ceria-Ulep**  
**211 Hoomalu Street; Pearl City, HI 96782**