

SB2

Measure Title: RELATING TO HOMELESSNESS.

Report Title: Homelessness; Treatment; Mandatory Health Coverage

Description: 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.

Companion:

Package: None

Current Referral: CPH/HMS, WAM

Introducer(s): GREEN, S. CHANG, RUDERMAN, 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 2 – RELATING TO HOMELESSNESS

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 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 \$1 million for homeless individuals with serious and persistent mental health challenges and \$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.

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 abuse treatment, as well as addressing housing costs through programs such as Housing First, Rapid Re-Housing and the State Rent Supplement. In addition, DHS 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 works 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. While the Coordinator establishes and coordinates State policy to address homelessness, the DHS Homeless Programs Office is responsible for the administration and implementation of homeless programs, and the Med-QUEST division leads Medicaid programs.

Thank you for the opportunity to testify on this bill.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-NINTH LEGISLATURE, 2017**

ON THE FOLLOWING MEASURE:
S.B. NO. 2, RELATING TO HOMELESSNESS.

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

DATE: Monday, January 30, 2017 **TIME:** 3:00 p.m.

LOCATION: State Capitol, Room 016

TESTIFIER(S): Douglas S. Chin, Attorney General, or
Daniel K. Jacob, Deputy Attorney General

Chairs Baker and Green and Members of the Committees:

The Department of the Attorney General provides the following comments:

The purpose of this bill is to require health insurance policies to provide coverage for the treatment of homelessness. Pursuant to section 1311(d)(3)(B)(ii) of the Patient Protection and Affordable Care Act, a state shall make payments to defray the cost of any additional benefits mandated by the state that are not included within the state selected benchmark plan. Currently, the Hawaii state benchmark plan does not provide coverage for treatment of homelessness. Accordingly, if this additional benefit is mandated, the State would be required to defray the cost.

Additionally, pursuant to section 23-51, Hawaii Revised Statutes (HRS), before any legislative matter that mandates health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of an insurance policy can be considered, concurrent resolutions are required to be adopted that request the Auditor to prepare and submit to the Legislature a report that assesses both the social and financial effects of the proposed mandated coverage. This bill proposes to mandate insurance coverage for the treatment of homelessness. Our understanding is that there has been no concurrent resolution adopted regarding coverage for the treatment of homelessness as required by section 23-51, HRS. Accordingly, we recommend either that the bill be held until such time as the concurrent resolutions have been adopted and the Auditor's report has been completed and submitted to the Legislature as required by section 23-51, HRS, or that the Legislature

include wording within the bill that exempts this new mandate from the audit requirement set forth in section 23-51, HRS.



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

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
www.hawaii.gov/dcca

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

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

TWENTY-NINTH LEGISLATURE
Regular Session of 2017

Monday, January 30, 2017
3:00 p.m.

TESTIMONY ON SENATE BILL NO. 2 – RELATING TO HOMELESSNESS.

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

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”). The Department supports the intent of this bill, but offers the following comments.

The purpose of this bill is to add a mandated health insurance benefit for treatment of “homelessness” up to a lifetime cap 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.

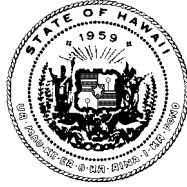
Additionally, any proposed mandated health insurance coverage requires the passage of a concurrent resolution requesting the State Auditor to prepare and submit a report assessing the social and financial impacts of the proposed mandate, pursuant to Hawaii Revised Statutes section 23-51. Therefore, we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

Senate Bill No. 2
DCCA Testimony of Gordon Ito
Page 2

be amended so that the State Auditor is tasked with reporting the economic impact of the expanded coverage on affected insurers.

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

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

BRIDGET HOLTHUS
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

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.

Hawai'i Association for Industrial-Organizational Psychology
590 Lipoa Parkway
Kihei, HI 96753

Hawai'i State Capitol
415 S. Bertania St.
Honolulu, HI



January 28, 2017

Re: Testimony SB2

To the Committee on Commerce, Consumer Protection, and Health; & Committee on Human Services,

I appreciate your efforts to helping one of our most fragile populations in Hawai'i. I *SUPPORT* this measure.

On the language pertaining to -431:10A:

As I understand, the intent of the language is to solely address the unit of meaning/measurement, "homelessness," as a benefit line item to Hawai'i policyholders. Therefore, the intent of the measure may want to:

include (c) "*the lack of written notice and communication received by the homeless individual in itself does not constitute reason for the insurer to provide a gap or termination in coverage.*"

Comment: If a "homeless individual" is defined by section 334-1's suggestive language of those who are described with, "persistent mental illness or otherwise eligible for treatment" as it's criterion, might the intent of the measure be weakened by those who are identified less than those with persistent mental illness and less than otherwise eligible for treatment? If so, I believe the measure would have greater strength if a "homeless individual" could be defined "medically necessary" by their physician.

With aloha,

Harold Ames, Ph.D.

Harold Ames, Ph.D.
Founder & President



An Independent Licensee of the Blue Cross and Blue Shield Association

January 30, 2017

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

The Honorable Josh Green, Chair
Senate Committee on Human Services

Re: SB 2 – Relating to Homelessness

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

The Hawaii Medical Association (HMSA) appreciates the opportunity to testify on SB 2, which would mandate health plans to provide coverage for the treatment of homelessness. HMSA appreciates the intent of this legislation is empathetic to the concerns that have given rise to this Bill. However, we have concerns and we offer comments.

The plight of individuals and families experiencing homelessness is painfully visible to everyone in the community. We are concerned about those who lack appropriate shelter, many of whom have health concerns, including behavioral health issues and/or who suffer from drug abuse. Homelessness is a statewide problem that demands to be addressed through the larger community effort to weave a safety net for the men, women, and children experiencing homelessness.

HMSA and the HMSA Foundation have actively been working with the community to help address the needs of those experiencing homelessness. HMSA is participating in the State Department of Health's Hawaii Pathway Project to provide housing and services to the chronically homeless with behavioral health problems. 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 appreciate SB 2's intent to assist those 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.

While SB 2 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. Given the breadth of the problem, an alternative policy may be appropriate. HMSA certainly is ready and willing to work with the Committees in helping to address this critical problem for all of us in Hawaii.

Thank you for allowing us to testify on SB 2. Your consideration of our comments is appreciated.

Sincerely,

Mark K. Oto
Director, Government Relations



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Rosalyn H. Baker, Chair
The Honorable Clarence K. Nishihara, Vice Chair
Members, Committee on Commerce, Consumer Protection, and Health

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

From: Paula Yoshioka, Senior Vice President, The Queen's Health Systems

Date: January 29, 2017

Hrg: Senate Committees on Commerce, Consumer Protection, and Health and Human Services
Joint Hearing; Monday, January 30, 2017 at 3:00PM in Room 016

Re: **Support for SB 2, Relating to Homelessness**

My name is Paula Yoshioka, and I am a Senior Vice President at The Queen's Health Systems (QHS). QHS would like to express our **support** for the intent of SB 2, Relating to Homelessness. This bill would ensure that homeless individuals are provided quality health care by requiring insurance coverage for the treatment of homelessness.

At QHS we are committed to providing care for Hawaii's most underserved. Quality health care and preventive services go a long way to mitigating the demand for high cost medical services down the road. 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.

QHS shoulders majority of the burden of care for Hawaii's homeless population experiencing a net loss of \$10.6 million in FY15 providing unfunded and underfunded care for homeless patients. The Hawaii Health Information Corporation (HHIC) reports that QHS hospitals provided 64 percent of the care for homeless individuals seeking treatment with 10,459 total encounters as opposed to 5,381 encounters at all other facilities in FY15. Over 90 percent of the care QHS provided occurred in the emergency room setting.

We commend the legislature for introducing this measure and urge you to support it. Thank you for your time and attention to this important issue.

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.

From: mailinglist@capitol.hawaii.gov
To: [CPH Testimony](#)
Cc: akamaimom@gmail.com
Subject: Submitted testimony for SB2 on Jan 30, 2017 15:00PM
Date: Sunday, January 29, 2017 11:43:18 PM

SB2

Submitted on: 1/29/2017

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

Submitted By	Organization	Testifier Position	Present at Hearing
Felicia Cowden	Individual	Support	No

Comments: Kauai's challenges with homelessness are profound. We had a 34-year-old man die swiftly from a dental infection in part due to being houseless and not rooted enough to manage having health insurance. He was a working and functional person. Without housing, the routine elements of life are a struggle. Sometimes it is simply the fact that there is no place to rent available, more so than the lack of ability to pay for a home.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2017 1:20 PM
To: CPH Testimony
Cc: cchaudron08@gmail.com
Subject: Submitted testimony for SB2 on Jan 30, 2017 15:00PM

SB2

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
Camila Chaudron	Individual	Support	No

Comments: Hi, my name is Camila Chaudron, and I live in the Manoa/Makiki area. I support this measure to protect our homeless population by providing necessary and life-sustaining health services. The health of a society can be measured by how it treats its most vulnerable. Thank you for supporting this measure. Mahalo.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, January 28, 2017 8:47 PM
To: CPH Testimony
Cc: eb2@hawaii.edu
Subject: Submitted testimony for SB2 on Jan 30, 2017 15:00PM

SB2

Submitted on: 1/28/2017

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

Submitted By	Organization	Testifier Position	Present at Hearing
liz Brown	Individual	Support	No

Comments: I am in support of this bill. Health coverage is needed for those who are homeless. It is a basic human right.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2017 10:46 PM
To: CPH Testimony
Cc: williamrandysmith@gmail.com
Subject: *Submitted testimony for SB2 on Jan 30, 2017 15:00PM*

SB2

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:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov