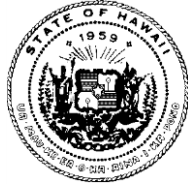


DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

BRIDGET HOLTHUS
DEPUTY DIRECTOR

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

January 23, 2017

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 & Health

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 3 - RELATED TO HUMAN SERVICES**

Hearing: January 23, 2017, 2:30 p.m.
Conference Room 016, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the bill, and the opportunity to offer comments. There are many details that would need to be addressed before we could respond. DHS also respectfully suggests supporting the Governor's budget addressing the underlying root causes of homelessness such as access to affordable housing and wrap-around support services for those individuals who require support to remain in housing.

PURPOSE: The purpose of the bill is to appropriate funds to DHS to reimburse health care providers for uncompensated medical services provided to the homeless population.

The bill appropriates \$75,000,000 for fiscal year 2017-18 and the same amount or as much as necessary for fiscal year 2018-19 to reimburse health care providers for uncompensated medical services provided to the homeless population.

Questions that require clarification is if "uncompensated" care includes the difference between a provider's costs versus reimbursement providers receive from a payer such as Medicaid. This is the definition of uncompensated care for some hospitals, for example, that is

used for a currently existing Disproportionate Share Hospital (DSH) program. If it is the same definition of uncompensated care as used for other such uncompensated care programs, federal permission would need to be sought since a Medicaid provider must accept Medicaid payment as payment in full.

It is also unclear if the reimbursed amounts were to be based on the provider's charges. Within the health care delivery system, there is a wide variation of charges versus the usual paid amounts for those services under a payer/provider contract. Health care provider's charges are often higher than the contracted amounts, or their costs for providing the service. Another consideration is if there would be any evaluation of medical necessity of the services provided. As written, this is for all health care providers and anyone who is homeless. DHS would be challenged to have the infrastructure to accept, evaluate and pay all claims submitted without additional administrative support.

Finally, the Governor's budget invests strategically in providing targeted supports for addressing the multi-faceted needs of the homeless population in the state. We respectfully suggest support of those investments in affordable housing, wrap-around supports, and other homeless initiatives that can also maximize federal dollars and infrastructure to support the safety of our communities.

Thank you for the opportunity to testify on this bill.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

January 23, 2017

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

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

SUBJECT: SB 3 – RELATING TO HUMAN SERVICES

Hearing: Monday, January 23, 2017, 2:30 p.m.
Conference Room 016, State Capitol

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this measure, but is concerned about cost implications generated by this proposal and potential adverse impact on priorities indicated in the Executive Budget. The Coordinator asks for the Legislature's support of the Governor's Executive Budget request, which includes appropriations 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 appropriate \$75 million in general funds to the Department of Human Services (DHS) to reimburse health care providers for uncompensated medical services provided to the homeless population.

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, including appropriations for mental health and substance use services. The Executive Budget specifically increases resources for homeless outreach, mental health and substance use treatment, as well

as addressing housing costs through programs such as Housing First, Rapid Re-Housing and the State Rent Supplement. In addition, DHS has 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 specific issues related to health care services provided through MQD health plans, as well as contracting and implementation of homeless services that are functions of the Homeless Programs Office.

Thank you for the opportunity to testify on this bill.



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 Clarence K. Nishihara, Vice Chair
Members, Committee on Commerce, Consumer Protection, and Health

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

Date: January 22, 2017

Hrg: Senate Committees on Human Services and Commerce, Consumer Protection, and Health
Joint Hearing; Monday, January 23, 2017 at 2:50PM in Room 016

Re: **Support for SB 3, Relating to Human Services**

My name is Paula Yoshioka, and I am a Senior Vice President at The Queen's Health Systems. I would like to express my **support** for SB 3, Relating to Human Services. This bill would provide \$75 million in fiscal years 2018 and 2019 to compensate health care providers who take care of homeless individuals.

At Queen's we are committed to providing care for Hawaii's most underserved. We concur with the testimony provided by the Healthcare Association of Hawaii (HAH) that this legislation recognizes the great cost that many providers take on to take care of this vulnerable and underserved population. At The Queen's Medical Center-Punchbowl, we incur significant costs treating more than 3,000 unfunded homeless patients each year.

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. This appropriation would help ensure access for homeless individuals to needed medical care and the financial viability of our health care system.

I commend the legislature for introducing this measure and 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.

**January 23, 2017 at 2:50 pm
Conference Room 016**

Senate Committee on Human Services

To: Senator Josh Green, Chair
Senator Stanley Chang, Vice Chair

Senate Committee on Housing

To: Senator Will Espero, Chair
Senator Breene Harimoto, Vice Chair

From: Michael Robinson
Vice President -- Government Relations and Community Affairs

Re: Testimony in Support, SB 3, Relating to Human Services

My name is Michael Robinson, and I am the Vice President of Government Relations and Community Affairs for Hawai'i Pacific Health (HPH). Hawai'i Pacific Health is a not-for-profit health care system, and the state's largest health care provider and non-governmental employer. Hawai'i Pacific Health is committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four hospitals, more than 50 outpatient clinics and service sites, and over 1,600 affiliated physicians. Hawai'i Pacific Health's hospitals are Kapi'olani Medical Center for Women & Children, Pali Momi Medical Center, Straub Clinic & Hospital and Wilcox Memorial Hospital.

HPH is writing in **support** of SB 3 which appropriates funds to the Department of Human Services to reimburse medical providers for uncompensated medical services provided to the homeless population. Homelessness has become an increasingly difficult and prevalent issue in our communities. Individuals who are homeless suffer not just from financial difficulties, but face health challenges as well. Our hospitals across the state see and treat many homeless individuals on a daily basis. Usually, the homeless do not have health insurance and are unable to pay for the medical services provided. The hospitals then suffer the financial losses. This puts a tremendous strain on the hospitals' ability to remain financially stable. SB 3, requesting an appropriation to DHS to reimburse health care providers for the uncompensated medical services provided to the homeless, would enable hospitals and other health care providers to recoup some of the losses.

Thank you for the opportunity to testify.



HAWAII YOUTH SERVICES NETWORK

677 Ala Moana Boulevard, Suite 904 Honolulu, Hawaii 96813

Phone: (808) 489-9549

Web site: <http://www.hysn.org> E-mail: info@hysn.org

Rick Collins, President

Judith F. Clark, Executive Director

Bay Clinic

Big Brothers Big Sisters of
Hawaii

Bobby Benson Center

Central Oahu Youth Services
Association

Child and Family Service

Coalition for a Drug Free Hawaii

Domestic Violence Action Center

EPIC, Inc.

Family Programs Hawaii

Family Support Hawaii

Hale Kipa, Inc.

Hale 'Opio Kauai, Inc.

Hawaii Student Television

Ho`o

Hui Malama Learning Center

Kokua Kalihi Valley

Life Foundation

Marimed Foundation

Maui Youth and Family Services

P.A.R.E.N.T.S., Inc.

Parents and Children Together
(PACT)

Planned Parenthood of the
Great Northwest and
Hawaiian Islands

Salvation Army Family

Intervention Services

Sex Abuse Treatment Center

Susannah Wesley Community
Center

The Catalyst Group

Uhane Pohaku Na Moku

O Hawai'i

Waikiki Health

January 21, 2017

Senator Josh Green, Chair
And members of the Committee on Human Services

Senator Roslyn Baker, Chair
And members of the Committee on Commerce, Consumer Protection, and
Health

Testimony in Support of SB 3 Relating to Human Services

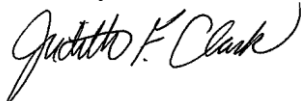
Hawaii Youth Services Network, a statewide coalition of youth-serving organizations, supports SB 3 Relating to Human Services.

Waikiki Health and other community health centers as well as private physicians provide essential health care to homeless individuals. This fund will increase access to health care and enable providers to provide early treatment and preventive health care that reduce the need for high cost emergency services and hospitalization.

The population that will benefit includes runaway and homeless youth who are living on the streets without support or guidance from their families.

Thank you for this opportunity to testify.

Sincerely,



Judith F. Clark, MPH
Executive Director



Monday, January 23, 2017 at 2:50 PM
Conference Room 016

Senate Committee on Human Services

Senate Committee on Commerce, Consumer Protection, and Health

To: Chair Josh Green
Vice Chair Stanley Chang

Chair Rosalyn H. Baker
Vice Chair Clarence K. Nishihara

From: Beth Hoban
Chair
Healthcare Association of Hawaii Board of Directors

Re: Testimony in Support
SB 3, Relating to Human Services

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 160 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

The Healthcare Association of Hawaii would like to thank the committees for the opportunity to **support** SB 3, which would provide \$75 million in fiscal years 2018 and 2019 to compensate health care providers who take care of homeless individuals. This legislation recognizes the great cost that many providers take on to take care of this vulnerable and underserved population. For example, just one of our members, The Queen's Medical Center-Punchbowl, incurred more than \$5 million in costs treating more than 3,000 homeless patients. 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. This appropriation would help ensure access for homeless individuals to needed medical care and the financial viability of our health care system.

There is no one easy answer to addressing homelessness in Hawaii. It has become clear that the entire community must consider its role in finding a solution. Providers see this issue up close every day and do their best to maintain the health of this population. We appreciate the attention that the State Legislature is providing to this matter and look forward to further discussions. Thank you for your consideration of this important matter and we humbly request your support of this measure.