

**STATE OF HAWAII
DEPARTMENT OF HEALTH**

P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of H.B. 1453 H.D. 1 S.D.1
RELATING TO EMERGENCY MEDICAL SERVICES**

SENATOR DONOVAN DELA CRUZ, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: April 3, 2019

Room Number: 211

1 **Fiscal Implications:** Allows the Department of Health (DOH) to charge reasonable fees for
2 patients treated, not transported, and for patients to be transported to the most appropriate care
3 site which may not always be a hospital. Fees collected would be deposited into the emergency
4 medical services special fund.

5 **Department Testimony:** The Department supports H.B. 1453 H.D.1 S.D.1. This measure has
6 three components: 1) it allows the DOH to establish fees for patients transported to designated
7 facilities other than hospitals, 2) allows the DOH to establish reasonable fees to be collected
8 from patients who are treated as part of a community paramedicine program (CPM), and 3)
9 requires patient and insurance coverage of community paramedicine services.

10 Currently, 911 emergency patients statewide are only transported to facilities designated as
11 hospitals with the exception of Waianae Coast Comprehensive Health Center, which is a free-
12 standing emergency department. Patients do not always need to go to the hospital. Our
13 responsibility is to identify the right care by the right provider at the right time in the right place.

14 Paramedics possess the requisite skills and community standing as a trusted medical partner.
15 CPM provides the opportunity to provide the right care by the right provider, at the right time, in
16 the right place.

17 Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

CATHY BETTS
DEPUTY DIRECTOR

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

April 1, 2019

TO: The Honorable Senator Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 1453 HD 1 SD 1 – RELATING TO EMERGENCY MEDICAL SERVICES**

Hearing: Wednesday, April 3, 2019 10:20 a.m.
Conference Room 211

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the bill and offers comments as it relates to Medicaid.

PURPOSE: The purpose of this bill is to allow the Department of Health (DOH) to establish fees for transportation to medical facilities and for provision of emergency medical services that do not include transport. The bill also allows Medicaid, and requires health insurance companies, to provide coverage of ambulance services in instances in which an ambulance has been called and medical services have been rendered, but a patient is not transported to a hospital. Finally, the bill authorizes transportation by ambulance to medical facilities other than hospital emergency departments.

First, DHS notes that it provides coverage for emergency and non-emergency medical transportation for Med-QUEST beneficiaries. Therefore, DHS would be paying the emergency medical system fees for Med-QUEST beneficiaries through the Med-QUEST Division (MQD) QUEST Integration (QI) program, rather than the Med-QUEST beneficiaries paying directly.

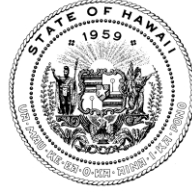
Second, DHS is supportive of reimbursement for services for situations where a person is treated, but not transported by emergency medical services personnel to a medical facility.

DHS supports this concept within the framework of the Community Paramedicine (CP) model. CP is an emerging model of care that uses Emergency Medical Technicians (EMTs) and Paramedics to provide care to underserved populations.

CP is an effective approach to serve patients with complex medical and social conditions, and it has the potential to decrease emergency department use and decrease hospitalizations. DHS appreciates the amendment clarifying that fees will be established for the CP model made by the Senate Committee on Commerce, Consumer Protection, and Health in HB1453 HD1 SD1.

DHS strongly supports the provision granting DOH the ability to conduct rulemaking on the transportation of individuals to medical facilities including but not limited to hospital emergency departments, trauma centers, urgent care clinics, freestanding surgical centers, and other medical facilities licensed by DOH. Not all individuals who need immediate treatment need to be treated in an emergency department or trauma center. Individuals who can be treated in urgent care clinics and other facilities with a lower level of care should be treated in that setting, rather than a hospital. DOH rulemaking in this area will help advance more appropriate use of emergency medicine for Med-QUEST beneficiaries.

Thank you for the opportunity to testify on this bill.



DAVID Y. IGE
GOVERNOR

JOSH GREEN
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
cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Ways and Means
Wednesday, April 3, 2019
10:20 a.m.
State Capitol, Conference Room 211**

**On the following measure:
H.B. 1453, H.D. 1, S.D. 1, RELATING TO EMERGENCY MEDICAL SERVICES**

WRITTEN TESTIMONY ONLY

Chair Dela Cruz and Members of the Committee:

My name is Colin Hayashida, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purposes of this bill are to: (1) authorize the Department of Health to establish fees for transportation to medical facilities and for the provision of emergency medical services that do not include transport; (2) authorize transportation by ambulance to medical facilities other than hospital emergency departments; (3) require Medicaid and private insurance coverage of ambulance services; and (4) authorize Medicaid programs, and require private insurers to provide coverage for statewide community paramedicine services rendered by emergency medical technicians or paramedics.

This bill may be viewed as a new mandate. The addition of 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 the PPACA. In addition, any proposed mandate providing coverage for care 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.

Finally, the Department notes that sections 2 and 5 of this bill use the term "statewide community paramedicine services," whereas sections 3 and 4 use the term "statewide services."

Thank you for the opportunity to testify on this bill.



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTIETH LEGISLATURE, 2019**

ON THE FOLLOWING MEASURE:

H.B. NO. 1453, H.D. 1, S.D. 1, RELATING TO EMERGENCY MEDICAL SERVICES.

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Wednesday, April 3, 2019

TIME: 10:20 a.m.

LOCATION: State Capitol, Room 211

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**

(For more information, contact Daniel K. Jacob,
Deputy Attorney General, at 586-1190)

Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General makes the following comments.

The purposes of this bill are to: (1) authorize the Department of Health to establish fees for transportation to medical facilities and for provision of medical services that do not include transport; (2) authorize transportation by ambulance to medical facilities other than hospital emergency departments; (3) require Medicaid and private insurance coverage of ambulance services; (4) require Medicaid and private insurance coverage of ambulance services; and (5) authorize Medicaid programs, and require private insurers, to provide coverage for statewide community paramedicine services rendered by emergency medical technicians or paramedics.

Under section 1311(d)(3)(B) of the Affordable Care Act and 45 C.F.R. section 155.170, a state may only require a Qualified Health Plan to add benefits if the state defrays the cost of the additional benefits, unless the proposed new benefit is directly attributable to State compliance with Federal requirements to provide Essential Health Benefits after December 31, 2011. This bill also appropriates money to cover the cost of ambulance services provided by the State's Medicaid program.

Sections 3, 4, 5, and 7 of this bill would require Qualified Health Plans to provide coverage for the cost of ambulance services and services rendered by emergency medical technicians or paramedics. Because this benefit was neither mandated by state law prior to December 31, 2011, nor directly attributable to compliance with

Federal requirements after December 31, 2011, it may be considered an additional mandate. If so, the State would be required to defray the cost.

At this time, our department is unaware of a state that has been subjected to the obligation to defray the cost for additional 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 department's best understanding is 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 to distribute the money.

Nothing in this testimony applies to sections 1, 2, or 6 of this bill relating to Medicaid coverage.

Thank you for the opportunity to comment.

HONOLULU EMERGENCY SERVICES DEPARTMENT
CITY AND COUNTY OF HONOLULU

3375 KOAPAKA STREET, SUITE H-450 • HONOLULU, HAWAII 96819-1814
Phone: (808) 723-7800 • Fax: (808) 723-7836



KIRK CALDWELL
MAYOR

JAMES D. HOWE, JR.
DIRECTOR

IAN T.T. SANTEE
DEPUTY DIRECTOR

April 1, 2019

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice-Chair
Senate Committee on Ways and Means
State Senate
State Capitol, Conference Room 208
415 South Beretania Street
Honolulu, Hawaii 96813

Re: H.B. No. 1453 HD1, SD1 Relating to Emergency Medical Services

Dear Chair Dela Cruz, Vice-Chair Keith-Agaran and Members:

The Honolulu Emergency Services Department is in support of H.B. No. 1453 HD1, SD1 and appreciates the opportunity to provide comments regarding this proposed legislation.

The Department, via its EMS Division, is the state contracted provider for EMS services for Oahu. Demand for EMS services continues to increase annually and is projected to continue to increase annually for the next decade due to Oahu's population demographics.

If the intent of H.B. No. 1453 HD1, SD1 is to provide the financial foundation to establish alternate methods of providing EMS services; i.e. the right care delivered to the right patient by the right provider at the right time and right location, thus reducing the demand on the current advanced life support EMS system, this measure would be of significant benefit to the citizens of and visitors to Oahu.

Projected 2018 statewide data (through September 30, 2018) reveals the substantial commitment of EMS resources utilized in the delivery of medical services to individuals that refuse transport to a hospital for additional medical services via EMS. Statewide, this was a total of 21,652 patients which represents 13.6% of all predicted calls in 2018. There has been a consistent increase in the proportion of patients treated since 2015.

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice-Chair
April 1, 2019
Page 2

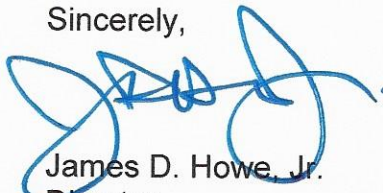
There are two impacts to the EMS system due to this situation.

The first impact, which H.B. No. 1453 HD1, SD1 addresses, is the loss of revenue to the EMS system for calls in which individuals receive medical treatment but refuse transport to an emergency facility. These calls and subsequent provisions of medical care are essentially free to callers. The delivery of free medical care, on demand, by EMS providers has contributed to the financial challenges of providing additional EMS units to meet the growing demand for these services which is experienced year after year.

The second impact this situation has on the EMS system is the strain which it places on EMS capacity. H.B. No. 1453 HD1, SD1 is a significant step toward addressing the need for additional EMS capacity in the City and County of Honolulu. Furthermore, if the additional revenue generated from treated non-transported cases is designated back to the Department of Health's Statewide EMS program, this additional funding will assist in the system's ability to meet the projected increase in capacity requirements over the next 10 years.

Thank you for the opportunity to testify on this important measure and your continued support for the pre-hospital medical needs of our community.

Sincerely,



James D. Howe, Jr.
Director

HB-1453-SD-1

Submitted on: 4/2/2019 6:52:37 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan P. Armstrong	Testifying for Oahu County Democrats	Support	No

Comments:

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

P.O. BOX 2121
HONOLULU, HAWAII 96805-2121
Oahu (808) 586-7390
Toll Free 1(800) 295-0089
www.eutf.hawaii.gov

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TESTIMONY BY DEREK MIZUNO
ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON HOUSE BILL NO. 1453 H.D.1 S.D. 1

April 3, 2019
10:20 a.m.
Room 211

RELATING TO EMERGENCY MEDICAL SERVICES

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of Trustees has not taken a position on this bill. EUTF staff would like to provide comments.

This bill will add significant annual costs to the EUTF HMSA medical plans – approximately \$5.5 million for employee and \$21.5 million for retiree plans. The EUTF Kaiser medical plans currently cover these services. The additional benefits/premiums are estimated to increase the combined State and counties unfunded actuarial accrued liability by \$453.3 million.

Thank you for the opportunity to testify.

EUTF's Mission: We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide informed service that is excellent, courteous, and compassionate.

HB-1453-SD-1

Submitted on: 4/1/2019 10:24:06 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Speedy Bailey	Testifying for American Medical Response	Support	Yes

Comments:

HB-1453-SD-1

Submitted on: 4/1/2019 11:40:31 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Tito Villanueva	Testifying for American Medical Response - Kauai	Support	No

Comments:

I strongly support the creation of a sustainable Community Paramedicine model necessary to address the needs for additional emergency medical services capacity to meet Hawaii's pre-hospital care needs.

April 2, 2019

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

Re: HB 1453, HD1, SD1 – Relating to Emergency Medical Services

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 1453, HD1, SD1, which authorizes the Department of Health to establish fees for transportation to medical facilities and for provision of emergency medical services that do not include transport. Additionally, this measure authorizes transportation by ambulance to medical facilities other than hospital emergency departments. This measure also authorizes Medicaid programs, and requires private insurers, to provide coverage for statewide community paramedicine services rendered by emergency medical technicians or paramedics.

HMSA respectfully opposes part of this measure (Sections 3-5, and 7), as it creates a new mandate on health plans. We ask that these sections be removed per HRS 23-21 which requires that a concurrent resolution be passed requesting the state auditor conduct an impact assessment of the proposed mandate prior to passing a new mandate.

§23-51 Proposed mandatory health insurance coverage; impact assessment report. Before any legislative measure that mandates health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of individual or group health insurance policies, can be considered, there shall be concurrent resolutions passed requesting the auditor to prepare and submit to the legislature a report that assesses both the social and financial effects of the proposed mandated coverage. The concurrent resolutions shall designate a specific legislative bill that:

- (1) Has been introduced in the legislature; and
- (2) Includes, at a minimum, information identifying the:
 - (A) Specific health service, disease, or provider that would be covered;
 - (B) Extent of the coverage;
 - (C) Target groups that would be covered;
 - (D) Limits on utilization, if any; and
 - (E) Standards of care.

We also have serious concerns with regards to the scope of coverage that would be required of insurers in Sections 3 through 5. It is unclear whether insurers would be required to reimburse both ambulance and paramedic services separately, even for the same medical event. It is also unclear what type of ambulance services must be covered (e.g. ground or air). Additionally, it would also be helpful to have a list which identifies the statewide services, rendered by an emergency medical technician or paramedic, that must be covered.



With regards to Section 1 of this bill, HMSA supports what we believe to be the intent of this bill, which is to better meet the needs of our underserved populations and address high cost utilizers by introducing a community paramedicine program into our State's healthcare system. We ask that there be one *amendment* to this bill to clarify that this is intended for ground ambulances only.

"§321- **Emergency medical services; fees.** (a) The department may establish reasonable fees to be collected from individuals who are:

(1) Transported by emergency *ground* ambulance services to any medical facility; or

(2) Provided emergency medical services by emergency medical services personnel as part of a community paramedicine program, including evaluations and treatment, but are not subsequently transported to a medical facility.

(b) All fees collected pursuant to this section shall be deposited to the credit of the emergency medical services special fund established pursuant to section 321-234.

(c) The department may adopt rules pursuant to chapter 91 necessary for the purpose of this section and to set reasonable fees."

Thank you for allowing us to testify on HB 1453, HD1, SD1.

Sincerely,

Pono Chong
Vice President, Government Relations