



DAVID Y. IGE
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**STATE OF HAWAII
OFFICE OF THE DIRECTOR
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DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Judiciary
Thursday, February 14, 2019
2:05 p.m.
State Capitol, Conference Room 325**

**On the following measure:
H.B. 578, H.D. 1, RELATING TO HEALTH**

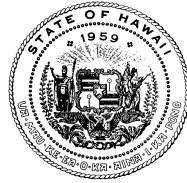
Chair Lee and Members of the Committee:

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

The purpose of this bill is to authorize the State Health Planning and Development Agency to mandate the submission of Medicare Advantage (Medicare Part C) administrative data and healthcare services claims.

The Department supports advancements on improved healthcare data analytics to address the healthcare cost drivers in the State. The data from an all-payer claims database with Medicare Advantage (Medicare Part C) data will provide a more complete data set to inform stakeholders on policies affecting our senior population. The data may also yield additional insight on the drivers of health insurance premiums across the life spectrum and lead to health interventions with a positive downstream effect.

Thank you for the opportunity to testify on this bill.



STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony in SUPPORT of HB578 HD1
RELATING TO HEALTH.**

REP. CHRIS LEE, CHAIR
HOUSE COMMITTEE ON JUDICIARY

Hearing Date: February 14, 2019

Room Number: 325

1 **Fiscal Implications:** N/A.

2 **Department Testimony:** The Department of Health supports HB578 HD1 which authorizes the
3 State Health Planning and Development Agency to mandate the submission of Medicare
4 Advantage (Medicare Part C) administrative data and healthcare services claims.

5 The Hawaii Health Data Center collects and stores health care claims data for analysis in support
6 of health policy. The Department of Health is authorized to request data for beneficiaries of the
7 Employer Union Trust Fund and Medicaid, the two largest groups of insured individuals in the
8 State. The addition of Medicare Part C data will augment the State's ability to analyze health
9 care cost drivers, particularly for older adults, who are generally higher utilizers of health care.
10 Therefor, the inclusion of Medicare Part C data is likely to improve health care finance policy and
11 care coordination activities in the State.

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

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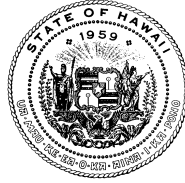
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DAVID Y. IGE
GOVERNOR OF HAWAII



CAROLINE CADIRAO
PSM MANAGER

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DIRECTOR OF HEALTH

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Testimony in SUPPORT of HB0578 HD1
Relating to Health

COMMITTEE ON JUDICIARY
REPRESENTATIVE CHRIS LEE, CHAIR
REPRESENTATIVE JOY SAN BUENAVENTURA, VICE CHAIR

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing Date: February 14, 2019
2:05 PM

Room Number: 325

1 **EOA's Position:** The Executive Office on Aging (EOA), an attached agency to the Department
2 of Health supports this measure, provided that its enactment does not reduce or replace priorities
3 within the Administration's budget request.

4 **Fiscal Implications:** There is no direct fiscal implication for the Executive Office on Aging
5 (EOA) as a result of this measure.

6 **Purpose and Justification:** The purpose of this measure is to require providers of health
7 insurance in the state of Hawaii to provide Medicare Part C administrative data to the designated
8 state agency. This previously unavailable data represents nearly half of the Medicare beneficiaries
9 currently in Hawaii and its' inclusion will allow for more complete analysis, which will better
10 inform policy and may potentially lead to reduced costs and improved outcomes.

11 The Executive Office on Aging is in the early stages of collaborating with the Hawaii
12 Health Data center in their analysis of health care claims data. As Hawaii's aging population

13 continues to grow, the need for long term services and supports will increase. This increase in
14 census, coupled with inflation and other cost drivers, will result in ever-increasing budgetary
15 requests.

16 The addition of Medicare Part C data will allow for more robust and potentially
17 meaningful analysis. This analysis could, in turn, lead to lower costs, reduced hospitalization, as
18 well as improved healthcare outcomes for Hawaii's kupuna. The inclusion of Medicare data
19 represents an opportunity not previously available to state agencies to better guide policy and
20 practice.

21 **Recommendation:** We support advancing this measure provided that its enactment does not
22 reduce priorities within the Administration's budget request.

23

24 Thank you for the opportunity to testify.



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

DAVID Y. IGE
GOVERNOR OF HAWAII
BRUCE S. ANDERSON, PH.D
DIRECTOR OF HEALTH
ROMALA SUE RADCLIFFE, B.A., M.A.
ADMINISTRATOR

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Testimony of **Romala Sue Radcliffe**
Administrator, State Health Planning and Development Agency

Before the
House Committee on Judiciary
Thursday, February 14, 2019 at 2:05 p.m., Conference Room 325

in **SUPPORT** of
PROPOSED HB578 HD1
RELATING TO HEALTH

Representative Chris Lee, Chair
Representative Joy A. San Buenaventura, Vice Chair

Thirtieth Legislature Regular Session of 2019

Aloha Chair Lee, Vice Chair San Buenaventura, and Members of the Committee:

Thank you for this opportunity to testify in **strong support** of the proposed HB 578 HD1 Related to Health.

For the past several years the State Health Planning and Development Agency (SHPDA) has worked closely with the Department of Human Services, the Hawaii Employee-Union Health Benefits Trust Fund, the Department of Commerce and Consumer Affairs' Insurance Division, the Department of Budget and Finance, the Department of the Attorney General, the Office of Enterprise Technology Services, and the University of Hawaii to build and operationalize the Hawaii Health Data Center (HHDC)/All-Payer Claims Database (APCD) to improve our understanding of Hawaii's healthcare costs, population health conditions, and healthcare disparities.

Knowing our healthcare costs is essential to determining ways to reduce future costs. Having complete population data sets is essential to this process. Currently the HHDC/APCD only has access to half of our kupuna's health information through Medicare fee-for-service claims. The HHDC/APCD needs the Medicare Advantage health claims data to complete the kapuna health claims data set. The proposed HB578 HD1 will assist SHPDA by providing the authority to mandate Medicare Advantage insurance providers to submit administrative data necessary to determine health benefits costs, including healthcare services claims and payment data.

Your favorable consideration of this measure is greatly appreciated.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Judiciary
Thursday, February 14, 2019 at 2:05 p.m.

By

Denise Eby Konan, PhD
Dean, College of Social Sciences

And

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

HB 578 HD1 – RELATING TO HEALTH

Chair Lee, Vice Chair San Buenaventura, and members of the House Committee on Judiciary:

I am testifying on behalf of the University of Hawai'i at Mānoa and the College of Social Sciences **in strong support** of HB 578 HD1. This bill will help to better inform the All-Payer Claims Database (APCD) analysis of the Medicare population. The collection of the Medicare Advantage data will enable the APCD to analyze the complete Hawai'i Medicare population for cost, quality, and population health comparisons. Medicare Advantage enrollment for the State of Hawai'i is increasing, and Medicare Advantage now accounts for nearly half of Hawai'i Medicare enrollees.

In 2016, the legislature amended section 323D-18.5, HRS, in Act 139, SLH 2016, creating the Hawai'i APCD to compile health insurer enrollment and claims data. This Act also designated the Pacific Health Informatics and Data Center (PHIDC) in the College of Social Sciences of the University of Hawai'i at Mānoa as the data center “to receive the data and to conduct analysis to further transparency and understanding of health care and to provide information to consumers.” Since that time, PHIDC has continued the collaboration with other members of the Hawai'i Health Data Center APCD Steering Committee in a multi-agency collaboration to bring the APCD to fruition.

The Hawai'i APCD intends to provide reports to inform greater transparency, as well as foster better decision making in health care purchasing and spending, service utilization, population health, and policymaking. The collection of Medicare Advantage data further supports the APCD's goals and statewide interests.

The University of Hawai'i through the PHIDC remains strongly committed to its role as a partner in data management, data analytics, and independent research on this critical initiative to produce and provide reliable data on health services, insured care costs, and public health.



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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 HOUSE COMMITTEE ON HEALTH
ON HOUSE BILL NO. 578 H.D. 1

February 14, 2019
2:05 p.m.
Room 325

RELATING TO HEALTH

Chair Lee, Vice Chair San Buenaventura, and Members of the Committee:

The EUTF Board of Trustees (EUTF Board) has not been able to take a position on this bill. Their next meeting is scheduled for February 19, 2019. However in the past, the EUTF Board has supported the all-payer claims database (APCD) as the EUTF Board recognizes it as a tool to address rising healthcare costs. The information in the APCD will be used by EUTF to supplement information provided by the EUTF's medical and prescription drug carriers to better understand the cost drivers at an individual level (e.g. the cost trend for different claims over time, the utilization trend for specific claims, the range of costs by provider for specific claims, and cost trend over time for individuals with specific conditions). Such individual level information that the all payer claims database will be able to provide will assist the EUTF in designing plans and developing programs with the insurance carriers to encourage healthy behaviors.

Under the current law, the APCD does not have access to Medicare Advantage plans in Hawaii which creates a significant gap in its dataset as Medicare Advantage participants comprise approximately 45% of the Hawaii Medicare population. Without this information, it is difficult to determine the impact that Medicare Advantage has on the health and utilization patterns of its members in comparison to traditional Medicare Part A, B and D members. This is significant for the EUTF as it contemplates Medicare Advantage plan designs in the future.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



DOUGLAS MURDOCK
CHIEF INFORMATION
OFFICER

OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

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LATE

Testimony of
DOUGLAS MURDOCK
Chief Information Officer
Enterprise Technology Services

Before the

HOUSE COMMITTEE ON JUDICIARY
Thursday, February 14, 2019

HOUSE BILL NO. 578, HD1
RELATING TO HEALTH

Dear Chair Lee, Vice Chair San Buenaventura and members of the committee:

The Office of the Enterprise Technology Services (ETS) supports House Bill No. 578, HD1, Relating to Health, which authorizes the State Health Planning and Development Agency to mandate the submission of Medicare Advantage (Medicare Part C) administrative data and healthcare services claims. This key health care information will help the Hawaii Health Data Center, through its All-payer Claims Database, improve the State's healthcare delivery system, and the overall long-term health and well-being of the State's workforce, retirees, and its Medicaid beneficiaries, with the ultimate goal of reducing overall state-funded healthcare costs.

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

HB-578-HD-1

Submitted on: 2/12/2019 2:11:43 PM

Testimony for JUD on 2/14/2019 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

House of Representatives
Committee on Judiciary
Date: Thursday, February 14, 2019
Time: 2:05 p.m.
Place: Conference Room 325



Testimony for HB578, HD1
Testifier: Gayle Ogawa

I am neither supportive or against this bill. However, clarification of the following needs to be made:

- 1) What do they mean by administrative data? Does that include protective health information, i.e., name, address, social security, birth date, etc.?
- 2) What about the submission of the health claims data? Does that also include protective health information?
- 3) How is this data being transmitted?
- 4) At any point in the process does the protective health information leave EUTF or the providers of health insurance to the SHPDA's designee? For example, EUTF gives SHPDA's designee a person's protective health information for coding? Does this mean that EUTF has received permission to give protective health information to the designee?

I believe that this bill needs to clarify and include what types of information can be transmitted to prevent unnecessary viewing of a person's protective health information or possible hacking.

This bill affects every State and County employee and their family members that are covered by EUTF and if this information is going to be used, we need an assurance that only the necessary information will be transmitted, i.e., medical services requested and the cost of such services.

Thank you for the opportunity to testify.