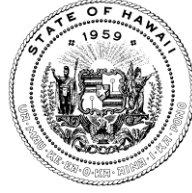


SB 1237

Measure Title:	RELATING TO HEALTH.
Report Title:	Department of Health; State Health Planning and Development Agency
Description:	Authorizes State Health Planning and Development Agency to mandate the submission of Medicare Advantage (Medicare Part C) administrative data and healthcare services claims.
Companion:	HB1011
Package:	Governor
Current Referral:	CPH, JDC
Introducer(s):	KOUCHI (Introduced by request of another party)



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 Commerce, Consumer Protection, and Health
Wednesday, February 6, 2019
9:30 a.m.
State Capitol, Conference Room 229**

**On the following measure:
S.B. 1237, RELATING TO HEALTH**

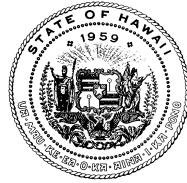
Chair Baker and Members of the Committee:

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

**Testimony in SUPPORT of SB1237
RELATING TO HEALTH.**

SENATOR ROSALYN H. BAKER, CHAIR
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

Hearing Date: February 6, 2019

Room Number: 229

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

2 **Department Testimony:** The Department of Health supports SB1237 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 Therefore, 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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DAVID Y. IGE
GOVERNOR OF HAWAII



CAROLINE CADIRAO
PSM MANAGER

BRUCE S. ANDERSON, Ph.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
EXECUTIVE OFFICE ON AGING
NO. 1 CAPITOL DISTRICT
250 SOUTH HOTEL STREET, SUITE 406
HONOLULU, HAWAII 96813-2831

**Testimony in SUPPORT of SB 1237
Relating to Health**

COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH
SENATOR ROSALYN H. BAKER, CHAIR
SENATOR STANLEY CHANG, VICE CHAIR

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

Hearing Date:
February 6, 2019
9:30AM

Room Number: 229

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

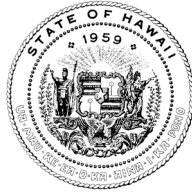
13 continues to grow, the need for long term services and supports will increase. This increase in
14 census, coupled with inflation and other cost drivers, will result in ever-increasing budgetary
15 requests.

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 Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



DOUGLAS MURDOCK
CHIEF INFORMATION
OFFICER

OFFICE OF ENTERPRISE TECHNOLOGY SERVICES

P.O. BOX 119, HONOLULU, HI 96810-0119
Ph: (808) 586-6000 | Fax: (808) 586-1922
ETS.HAWAII.GOV

Testimony of
DOUGLAS MURDOCK
Chief Information Officer
Enterprise Technology Services

Before the

SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTED, AND HEALTH
Wednesday, February 6, 2019

SENATE BILL 1237
RELATING TO HEALTH

Dear Chair Baker, Vice Chair Chang and members of the committee:

The Office of the Enterprise Technology Services (ETS) supports Senate Bill No. 1237, 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.



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

1177 Alakea St. #402, Honolulu HI 96813 Phone: 587-0786 Fax: 587-0783 www.shpda.org

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

Before the
Senate Committee on Commerce, Consumer Protection, and Health
Wednesday, February 6, 2019 at 9:30 a.m., Conference Room 229

in SUPPORT of
PROPOSED SB1237
RELATING TO HEALTH

Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair

Thirtieth Legislature Regular Session of 2019

Aloha Chair Baker, Vice Chair Chang, and Members of the Committee:

Thank you for this opportunity to testify in **strong support** of the proposed SB 1237 Relating 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 kupuna health claims data set. The SB1237 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.



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 COMMERCE, CONSUMER PROTECTION, AND
HEALTH
ON SENATE BILL NO. 1237

February 6, 2019
9:30 a.m.
Room 229

RELATING TO HEALTH

Chair Baker, Vice Chair Chang, 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.