



STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony in SUPPORT of SB1246 SD2 HD1
RELATING TO TELEHEALTH.**

REP. SYLVIA LUKE, CHAIR
HOUSE COMMITTEE ON FINANCE

Hearing Date: March 29, 2019

Room Number: 308

1 **Fiscal Implications:** \$110,000 General Fund appropriation and 1.0 FTE for a permanent
2 statewide telehealth coordinator.

3 **Department Testimony:** The Department of Health (DOH) supports SB1246 SD2 HD1, which
4 creates a planning infrastructure to assure telehealth is a health care access option for all Hawaii
5 residents.

6 In 2017, with the support of the Legislature and in partnership with the John A. Burns Medical
7 School, the University of Hawaii School of Social Science Research, the Department of Labor
8 and Industrial Relations, and the private sector, DOH convened a statewide telehealth summit
9 from which four major themes emerged:

- 10 1. Increase patient demand;
- 11 2. Make it easy for providers;
- 12 3. Diminish administrative barriers and burdens; and
- 13 4. Encourage a robust technology infrastructure.

14 Also in 2017, DOH dedicated part of an FTE to work on telehealth issues and progress has been
15 steady. A draft statewide telehealth plan is in development following a series of statewide
16 stakeholder meetings which included patient focus groups in each county, one-on-one interviews
17 with thought leaders, and small group meetings with industry stakeholders. The State Telehealth

1 Coordinator created by this measure will lead implementation efforts and assure dedicated
2 resources to community initiatives prioritized in the state plan, and as guided by the Council.

3 The Legislature has supported pilot projects throughout the state to expose providers to
4 telehealth and encourage integration into their practices. So far, three pilots have been funded:

- 5 • Hawaii Island – the Kau Virtual Clinic Project connects patients in Kau District with a
6 primary care physician in Hilo and Naalehu via outbound community health workers.
- 7 • Oahu – the Wahiawa Telehealth Demonstration Project Pilot will connect elderly
8 residents and keiki in Wahiawa with providers via telehealth to address oral health,
9 nutrition and behavioral health needs.
- 10 • TBD – a request for proposal will be issued shortly for a third pilot project.

11 For Maui and Kauai counties, DOH requested \$180,000 total to assure at least one pilot in each
12 county through the Executive Biennium Budget for FY2020 and FY2021. The department does
13 not anticipate requesting funds for future pilots, once all counties have been given an
14 opportunity. The same budget request will support the creation of an online “Telehealth Swap
15 Meet” portal where health care providers can advertise availability or need. This tool will be
16 developed and hosted by the John A. Burns Medical School, which will also provide the
17 evaluation.

18 Telehealth adoption rates among Hawaii’s providers are steadily rising, but the vast majority –
19 approximately 85% – have not reported any telehealth exposure. SB1246 SD2 HD1 will fortify
20 Hawaii’s efforts to assure telehealth is an option for health care access for all Hawaii’s residents.

21 Thank you for the opportunity to testify.

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To: House Committee on Finance

From: Cheryl Kakazu Park, Director

Date: March 29, 2019, 2:30 p.m.
State Capitol, Conference Room 308

Re: Testimony on S.B. No. 1246, S.D. 2, H.D. 1
Relating to Telehealth

Thank you for the opportunity to submit testimony on this bill, which would, among other things, create a Strategic Telehealth Advisory Council (Council) and a Telehealth Administrative Simplification Working Group (Working Group). The Office of Information Practices (OIP) takes no position on the substance of this bill, but **questions why the proposed Council and Working Group are both exempted from the Sunshine Law, part I of chapter 92, HRS.**

The proposed Council is charged with advising the Governor in the development and implementation of a comprehensive telehealth plan, while the Working Group will research and make recommendations to reduce administrative barriers to telehealth by private health care providers. It does not appear that either the Council or the Working Group would be discussing individual patient information or other sensitive information that could not be protected under the Sunshine Law's closed meeting purposes. Based on discussions with the Department of Health, OIP understands that while the Council will be working on the public policy relating to telehealth and recommending actions on this subject of

public interest, the Working Group's focus will be primarily on establishing common processes and reducing paperwork across private sector health care organizations.

The H.D. 1 version of this bill proposes to exempt the Advisory Council from all of chapter 92, which includes not only the Sunshine Law (part I of chapter 92) but also Parts II through IV, addressing issues such as boards' general powers and quorum requirements, copy charges for public records, and publication of legal notices. The Advisory Council is instead required to "make a good faith effort to comply" with the Sunshine Law and the remaining parts of chapter 92.

Because the Council will be developing public policy, OIP recommends that the public be allowed to participate in the Council's discussions, deliberations, decisions and actions pursuant to the Sunshine Law, in light of the express policy and intent of the Sunshine Law:

In a democracy, the people are vested with the ultimate decision-making power. Governmental agencies exist to aid the people in the formation and conduct of public policy. Opening up the governmental processes to public scrutiny and participation is the only viable and reasonably method of protecting the public's interest. Therefore, the legislature declares that it is the policy of this State that the formation and conduct of public policy - the discussions, deliberations, decisions, and actions of government agencies - shall be conducted as openly as possible.

Haw. Rev. Stat. §92-1 (1993). If the Advisory Council is not actually required to follow the Sunshine Law but only to "make a good faith effort" to do so, members of the public will have no recourse if meeting notices are not timely posted, testimony is not permitted, or people otherwise feel shut out of the proceedings.

OIP understands that in contrast to the Advisory Council, the Working Group's discussions will typically involve not involve public telehealth policy but instead the details of private sector processes, and that the Working Group will be in existence for only about six months. Thus, while a mechanism for ensuring

public comment and feedback would be helpful and OIP recommends such a mechanism, OIP does not believe that the Working Group needs to be subject to the full panoply of Sunshine Law requirements.

OIP therefore suggests that this Committee amend the bill (1) to make the proposed Council subject to the Sunshine Law, and (2) to provide for some level of public input and feedback to the Working Group without making it an entity that would be subject to the Sunshine Law. Specifically, **OIP recommends that this Committee:**

(1) delete the proposed Council's Sunshine Law exemption at bill page 5 lines 16-20, and

(2) add the following language to the end of page 8 line 2, to provide for some public input to the Working Group without making it a Sunshine Law entity:

The working group shall hold at least three meetings open to the public for which it shall provide public notice in the manner provided by section 92-7 and shall accept public testimony. During at least one of those three meetings the working group shall accept public testimony regarding its proposed report to the legislature, which shall be made available to the public at least six days in advance of the meeting date.

Thank you for considering OIP's suggested amendments to this bill.



March 29, 2019 at 2:30 pm
Conference Room 308

House Committee on Finance

To: Chair Sylvia Luke
Vice Chair Ty J.K. Cullen

From: Paige Heckathorn Choy
Director of Government Affairs
Healthcare Association of Hawaii

Re: **Testimony in Support**
SB 1246 SD 2 HD 1, Relating to Telehealth

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 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.

We would like to thank the committee for the opportunity to **support** SB 1246 SD 2 HD 1. This legislation would promote telehealth adoption across the state by providing the Department of Health with resources and encouraging formal community engagement among key stakeholders. These efforts will build off many years of progress that the legislature and the department have made to expand access to needed care, especially in rural areas of the state, through the opportunities that telehealth technology provides.

Telehealth technology can be particularly effective in states like Hawaii where care may be disjointed simply because of where a patient lives or works. This form of care delivery also has the potential to make care more affordable and bring highly specialized services into communities that would otherwise not have access to that type of care. We support efforts to improve the quality and accessibility for patients all throughout the state and this bill would help to reach that goal.

We would respectfully request that your committee view this bill favorably. Thank you for the opportunity to testify in support of this important matter.



**Testimony to the House Committee on Finance
Friday, March 29, 2019; 2:30 p.m.
State Capitol, Conference Room 308**

RE: SUPPORTING SENATE BILL NO. 1246, HOUSE DRAFT 1, RELATING TO TELEHEALTH.

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 1246, House Draft 1, RELATING TO TELEHEALTH.

The bill, as received by your Committee, would:

- (1) Establish the State policy of promoting telehealth to advise the Governor in the development and implementation of a comprehensive plan to establish telehealth as a high quality, cost-effective, and reliable means of health care access, and designate the Department of Health (DOH) as the lead agency;
- (2) Establish the State Strategic Telehealth Advisory Council (Council) comprised by not less than (11) members appointed by the Governor representing: health care facilities (2 members); health insurers (2 members); broadband infrastructure or telecommunications (1 member); the Office of the Governor (1 member); long-term care services (2 members); health care practitioners with practices in rural areas (2 members); and mental health providers (1) member; provided that at least one member be from each county of the State;
- (3) Exempt the Council from Chapter 92, Hawaii Revised Statutes (HRS) (Public Agency Meetings and Records Law), provided that the Council make a good faith effort to comply with the requirements of Chapter 92, HRS, and hold meetings open to the public;
- (4) Establish a full-time Hawaii State Telehealth Coordinator (Coordinator) position with DOH to support the Council's activities;

- (5) Require the DOH to establish and convene a telehealth administrative simplification working group to research and make recommendations to reduce barriers related to health care system credentialing, privileging, and related administrative procedures that may contribute to delays and inefficiencies for health care providers delivering care to patients;
- (6) Require the working group to report to the 2020 Legislature;
- (7) Appropriate \$110,000, in general funds for fiscal year 2019-2020 and \$110,000, in general funds for fiscal year 2020-2021, to establish the Coordinator position; and
- (8) Take effect on July 1, 2050, and be repealed on January 1, 2022.

Federally Qualified Health Centers (FQHCs) provide desperately needed medical services at the frontlines in rural communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of health.

The State of Hawaii is experiencing a severe shortage of health care professionals in the workforce, especially in rural areas. Recent studies note that the current shortage of physicians is at 20% of the total full-time equivalent positions throughout the State. The shortage is especially severe in the fields of primary care, infectious diseases, colorectal surgery, pathology, general surgery, pulmonology, neurology, neurosurgery, orthopedic surgery, family medicine, cardiothoracic surgery, rheumatology, cardiology, hematology/oncology, and pediatric subspecialties of endocrinology, cardiology, neurology, hematology/oncology, and gastroenterology.

This bill would facilitate and promote the use of technology in bridging geographical distances and mitigating the isolation of rural communities. FQHCs recognize the enormous potential that telehealth has in improving the quality, availability, and accessibility of health care services, especially as they relate to specialty care. In fact, the Lanai Community Health Center, an HPCA member FQHC, currently provides telehealth psychiatric services via telehealth on a fee-for-service basis. Others, including Hamakua/Kohala Health Center, and West Hawaii Community Health Center are looking into the feasibility of integrating telehealth psychiatric services in these areas.

Telehealth also holds possibilities in the provision of dermatology, dentistry, and other fields of medicine, as demonstrated in practice on the mainland United States and internationally. Yet, because this is a relatively new development, insurance reimbursement, especially as it pertains to Medicaid beneficiaries, has many challenges that need to be worked out.

Will the federal government allow for prospective payment system reimbursement rates to be authorized for services provided via telehealth at an FQHC? Can State law require reimbursement for dental services provided to a Medicaid recipient via telehealth (as specified under the parity law enacted last year), when the Department of Human Services has not yet reinstated Medicaid coverage for adult dental services?

Because Medicaid is regulated jointly between the federal and State governments pursuant to contractual arrangements and not directly through State statute, the application of progressive, ground-breaking laws on telehealth in Hawaii have not yet been applied to the extent that it could. While it is our understanding that the Hawaii State Department of Human Services (DHS) is currently applying for revisions to the 1115 Medicaid Waiver that would allow FQHCs to receive reimbursements for telehealth services, unless and until such amendments are approved, growth of telehealth at FQHCs will progress slowly for Hawaii's Medicaid population.

For the Council proposed in this bill to function as intended, in our opinion, it will be essential for DHS to work hand-in-hand with DOH on the telehealth policy of the State. If not, then telehealth will become applicable solely for health care that is paid through the private insurance market and not to less affluent communities and consumers. Should that happen, the primary objective of such legislation -- to promote accessibility of health care to rural and isolated communities -- will not be achieved to the level of its potential.

In addition, because FQHCs provide essential services primarily to rural and less affluent communities, we ask that you consider including representation of an FQHC on the Council.

Accordingly we respectfully request that this bill be amended as follows:

- (1) That Session Laws language be added to the bill requiring the Directors of Health and Human Services to jointly report to the Legislature prior to the convening of the 2021 Regular Session on their combined efforts to promote this new telehealth policy and as well as ensure that telehealth is facilitated through both the private insurance market and public insurance programs such as Medicaid; and**
- (2) That the composition of the Council be changed to include a member representing FQHCs, either from the Hawaii Primary Care Association, or one of its member FQHCs.**

With the aforementioned amendment, we **SUPPORT** this measure and urge your favorable consideration.

In advance, thank you for your consideration of our testimony.



March 27, 2019

The Honorable Sylvia Luke, Chair
The Honorable Ty J.K. Cullen, Vice Chair
House Committee on Finance

Re: SB 1246 SD2 HD1 – Relating to Telehealth

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 1246, SD2, HD1, which establishes goals for the adoption and proliferation of telehealth to increase health care access. It establishes the Strategic Telehealth Advisory Council and permanent full-time equivalent State Telehealth Coordinator position. It establishes the telehealth administrative simplification working group to research, make recommendations, and report to the legislature. It also appropriates funds and sunsets 1/1/2022.

HMSA supports this measure and the efforts of the Strategic Telehealth Advisory Council to promote telehealth as a viable solution to maximizing existing local resources and increasing access as well as patient convenience and compliance.

Thank you for the opportunity to provide testimony on this measure.

Sincerely,

Pono Chong
Vice President, Government Relations



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Sylvia Luke, Chair
The Honorable Ty J.K. Cullen, Vice Chair
Members, Committee on Finance

From: Paula Yoshioka, Vice President, Government Relations and External Affairs, The
Queen's Health Systems

Date: March 27, 2019

Hrg: House Committee on Finance Hearing; Friday, March 29, 2019 at 2:30 P.M. in Room
308

Re: Support for S.B. 1246, S.D. 2, H.D. 1 Relating to Telehealth

The Queen's Health Systems (Queen's) is a not-for-profit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, 66 health care centers and labs, and more than 1,600 physicians statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to provide testimony in support of S.B. 1246, S.D. 2, H.D. 1, which would establish a Strategic Telehealth Advisory Council and create a State Telehealth Coordinator position within the Department of Health. At Queen's we recognize the importance of expanding access to care through telecommunication technologies. We operate statewide with a four hospital system: The Queen's Medical Center – Punchbowl, The Queen's Medical Center – West Oahu, Molokai General Hospital, and North Hawaii Community Hospital. Queen's provides a number of telemedicine specialties in areas such as but not limited to stroke and neurology, pulmonology, psychiatry, wound care, and critical care. It is our desire to expand health care access beyond Oahu where our trauma and tertiary/quaternary services are located at QMC Punchbowl. Telehealth programs assist with connecting our four hospitals and allow our health care workers to provide care to patients in their local communities.

Thank you for your time and consideration of this important matter.

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.

To: Committee Chair Representative Sylvia Luke
Committee Vice Chair Representative Ty Cullen
Committee on Finance

Date: March 27, 2019

RE: **Support for SB 1246 SD 2 HD 1; Relating to telehealth**

The Early Childhood Action Strategy (ECAS) is a statewide public-private collaborative designed to improve the system of care for Hawai'i's youngest children and their families. ECAS brings together government and non-governmental organizations to align priorities for children prenatal to age eight, streamline services, maximize resources, and improve programs to support our youngest keiki. The Early Childhood Action Strategy (ECAS) is a statewide public-private collaborative designed to improve the system of care for Hawai'i's youngest children and their families. ECAS partners are working to align priorities for children prenatal to age eight, streamline services, maximize resources, and improve programs to support our youngest keiki. ECAS supports SB 1246 SD2 HD 1, which would establish goals for the adoption and proliferation of telehealth to increase health care access.

ECAS supports efforts to improve the quality and accessibility for patients through the state to increase and enhance health outcomes. Alarming, the state of Hawai'i is experiencing a severe shortage of health care professionals, particularly in rural areas. Telehealth technology can be effective in states like Hawai'i where care may be disjointed or have limited availability depending on where a patient lives. Telehealth services brings highly specialized and technical services to patients in communities that may not otherwise have access to those services. This bill would also promote the use of technology in bridging gaps due to geographical distance and minimize the isolation commonly experienced in rural communities.

SB 1246 SD 2 HD 1 would strengthen the capacity of the Department of Health to provide much needed quality health care services, particularly to remote communities that experience difficulty in accessing specialized care. We respectfully urge the Committee to support its passage. Thank you for the opportunity to provide this testimony.



HAWAII CHAPTER – AMERICAN PHYSICAL THERAPY ASSOCIATION

(800) 554-5569 x13 • www.hapta.org • info@hapta.org

**SB 1246, SD2, HD1 Relating to Telehealth
Hse FIN Hearing
Friday, March 29, 2019 – 2:30 pm
Conference Room 308
Position: Support**

Chair Luke, Vice Chair Cullen and Members of the Hse FIN Committee:

I am Gregg Pacilio, PT and Board President of the Hawaii Chapter of the American Physical Therapy Association (HAPTA), a non-profit professional organization serving more than 300 member Physical Therapists and Physical Therapist Assistants. Our members are employed in hospitals and health care facilities, the Department of Education school system, and private practice. We are movement specialists and are part of the spectrum of care for Hawaii, and provide rehabilitative services for infants and children, youth, adults and the elderly. Rehabilitative services are a vital part of restoring optimum functioning from neuromusculoskeletal injuries and impairments.

HAPTA **supports** the increase of telehealth utilization in the state of Hawai'i. We support the movement to establish a method of providing quality health care to areas in need in a safe and effective manner. There is a shortage of quality health care in the rural areas of Hawai'i and developing reliable and efficient means of providing this care will be beneficial communities around Hawai'i. With the telehealth that does exist, there are not clear rules or regulations that can easily be followed in order to ensure quality and efficiency. The development of a council to oversee regulations and operations is necessary to establish telehealth as a high quality modality in health care. We fully support the implementation of such a program and infrastructure will not only provide care to this in need but be beneficial for the insurance companies, the health care providers and most importantly the patient. With this in mind HAPTA provides its support for SB 1246sd2,hd1.

Your support of SB 1246sd2,hd1 is appreciated. Thank you for the opportunity to testify. Please feel free to contact Marco Adame Jr., HAPTA's Telehealth Issue Lead at (213) 840-9226 for further information.

March 27, 2019

To: Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair
House Committee on Finance

From: Laura Nevitt, Director of Public Policy
Hawaii Children's Action Network

Re: **S.B. 1246, SD2, HD1– Relating to Family Leave**
Hawaii State Capitol, Room 308 , March 29, 2019, 2:30 PM

HCAN is committed to improving lives and being a strong voice advocating for Hawai'i's children. We write in SUPPORT, with amendments to SB 1246, SD2, HD1 which establishes goals for the adoption and proliferation of telehealth to increase health care access. It also establishes the Strategic Telehealth Advisory Council and permanent full-time State Telehealth Coordinator position.

HCAN supports this measure and the efforts of the Strategic Telehealth Advisory Council to promote telehealth as a viable solution to maximizing existing local resources and increasing access as well as patient convenience and compliance.

This legislation would promote telehealth adoption across the state by providing the Department of Health with resources and encouraging formal community engagement among key stakeholders. These efforts will build off many years of progress that the legislature and the department have made to expand access to needed care, especially in rural areas of the state, through the opportunities that telehealth technology provides.

There is, especially, a shortage of quality health care in the rural areas of Hawai'i and developing reliable and efficient means of providing this care will be beneficial communities around Hawai'i. With the telehealth that does exist, there are not clear rules or regulations that can easily be followed in order to ensure quality and efficiency. The development of a council to oversee regulations and operations is necessary to establish telehealth as a high quality modality in health care. We fully support the implementation of such a program and infrastructure provide care to those in need.

For these reasons, HCAN asks the committee to pass SB 1246, SD2, HD1.

HCAN is committed to building a unified voice advocating for Hawaii's children by improving their safety, health, and education.