

**SB-417-SD-1**

Submitted on: 2/18/2019 8:11:44 AM

Testimony for WAM on 2/19/2019 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:



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

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 417, S.D. 1, RELATING TO HEALTH.

**BEFORE THE:**

SENATE COMMITTEE ON WAYS AND MEANS

**DATE:** Tuesday, February 19, 2019      **TIME:** 9:30 a.m.

**LOCATION:** State Capitol, Room 211

**TESTIFIER(S):** Clare E. Connors, Attorney General, or  
Daniel K. Jacob, Deputy Attorney General

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Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General makes the following comments.

The purpose of this bill is to require health insurance and the State's Medicaid program to provide coverage for ambulance services and services rendered by emergency medical technicians or paramedics. The bill also appropriates money to cover the cost of ambulance services provided by the State's Medicaid program.

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.

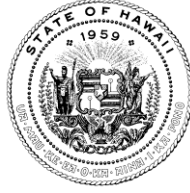
Sections 2 through 4 of this bill would require Qualified Health Plans to provide coverage for the cost of ambulance services and services rendered by emergency medical technicians or paramedics. Because this benefit was neither mandated by state law prior to December 31, 2011, nor directly attributable 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 section 1 of this bill relating to Medicaid coverage.

Thank you for the opportunity to comment.



DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

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CATHERINE P. AWAKUNI COLÓN  
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JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
Senate Committee on Ways and Means  
Tuesday, February 19, 2019  
9:30 a.m.  
State Capitol, Conference Room 211**

**On the following measure:  
S.B. 417, S.D. 1, RELATING TO HEALTH**

**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 purpose of this bill is to require insurance coverage of ambulance services, authorize Medicaid programs, and require private insurers to pay for community paramedicine services provided by emergency medical technicians or paramedics. This bill also appropriates moneys for Medicaid to cover community paramedicine services provided by emergency medical technicians or paramedics and appropriates funds for ambulance services covered by Medicaid.

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.

Thank you for the opportunity to testify on this bill.

**SB-417-SD-1**

Submitted on: 2/18/2019 7:07:49 AM

Testimony for WAM on 2/19/2019 9:30:00 AM

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

Comments:

Testimony of  
John M. Kirimitsu  
Legal and Government Relations Consultant

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

February 19, 2019  
9:30 am  
Conference Room 211

### **SB 417 SD1 Relating to Health**

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on this measure requiring insurance coverage of ambulance services, including statewide community paramedicine services.

#### **Kaiser Permanente Hawaii supports the intent of this bill.**

It is well recognized that a substantial number of transfers to a hospital provided by an EMS ambulatory service are for health conditions that are not considered to be an emergency. These non-emergency medical transfers result not only in wasted healthcare resources but also potentially keeping this life-saving service from individuals who may truly be experiencing a life-threatening emergency.

Kaiser supports utilizing specially trained emergency medical service personnel in an expanded role to provide better care for the community through non-transport emergency services, which will help reduce unnecessary emergency department admissions, improve the patient's quality of life and decrease overall healthcare costs.

Thank you for your consideration.

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

February 18, 2019

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

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 417 SD 1 – RELATING TO HEALTH**

Hearing: Tuesday, February 19, 9:30 a.m.  
Decision Making Conference Room 211, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports the intent and appreciates the amendments of the Committees on Commerce, Consumer Protection, and Health and Human Services as they relate to Community Paramedicine and Medicaid coverage.

**PURPOSE:** The purpose of this bill is to allow Medicaid, or to require from other health insurance companies, 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.

DHS is committed to covering the delivery of services that result in better health, better care, sustainable costs, as we continue to transition away from payment systems for health care that are based on rewarding volume, to one that improves value and outcomes. For this reason, DHS is supportive of reimbursement for services when a patient is treated but not transported that is likely to result in decreasing emergency department visits and keeping people out of the hospitals. DHS supports this concept when it is within the larger concept of the Community Paramedicine (CP) model, and appreciates the SD 1 amendment to clarify that Medicaid can cover this program when rendered by emergency personnel or paramedics.



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 is preparing a request to the federal government to seek approval for a federal match for CP services. Our analysis indicates that the federal government may cover some treated, but not transported services, and only if they are provided through a CP model and the services are available statewide. DHS is already actively working to expand coverage for these services. For this reason, we also appreciate the amendment that removed the geographic limitations so the program could be implemented statewide.

We respectfully request that any appropriation not supplant funding priorities identified in the Executive Budget.

Thank you for the opportunity to testify on this bill.

**LATE**

**SB-417-SD-1**

Submitted on: 2/18/2019 7:06:06 PM

Testimony for WAM on 2/19/2019 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
James Ireland	Individual	Support	No

Comments:

Aloha Senators,

I will make this brief, but support this legislation. As the former Director of Emergency Services for the City and County of Honolulu, we started a similar (unfunded) program in 2012 to reach out to Oahu's most vulnerable populations. This program, which was meant to serve as a short pilot, was very successful. We were able to help steer people to resources or treat their various conditions without transport to an ER or hospital. On a larger scale, this will achieve huge cost savings, but more importantly, offer people better and more appropriate medical care.

Aloha,

James Ireland MD

DAVID Y. IGE  
GOVERNOR



**STATE OF HAWAII**  
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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 SENATE BILL NO. 417 S.D. 1**

**February 19, 2019**  
**9:30 a.m.**  
**Room 211**

**RELATING TO HEALTH**

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 been able to take a position on this bill. Their next meeting is scheduled for today, February 19, 2019. EUTF staff would like to provide comments.

This bill will add significant annual costs to the EUTF medical plans – approximately \$5.5 million for employee and \$21.5 million for retiree plans. The additional benefits/premiums are estimated to increase the 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.