



**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.1637 HD1 SD1  
RELATING TO HEALTH.**

SENATOR DONAVAN M. DELA CRUZ, CHAIR  
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: Thursday, July 2, 2020

Room Number: Auditorium

1 **Fiscal Implications:** None.

2 **Department Testimony:** The Department of Health strongly SUPPORTS Part I of this bill on  
3 civil monetary penalties (CMP) to improve the care and lives of our *kupuna* and to align Section  
4 321-30.2 Hawaii Revised Statute (HRS) with the U.S. Centers for Medicare and Medicaid  
5 (CMS) CMP reinvestment program to return moneys to skilled nursing facilities. All CMP  
6 moneys are federal moneys from federal penalties collected from skilled nursing facilities by  
7 CMS. No state general funds are involved in this program. The Department defers to the  
8 Executive Office on Aging (EOA) on Part II on a Medicare administrator.

9 CMP moneys are authorized during COVID-19 to provide funds to skilled nursing  
10 facilities for communication equipment for virtual visitation between patients and families. The  
11 Department issued approximately \$30,000 in funds during state FY2020 and is ready to issue  
12 more than \$30,000 more in funds during state FY2021 if this bill is passed.

13 The language in Part I of this bill mirrors the Senate version of the CMP language in SB  
14 2899 SD1. CMP funds can only be used to benefit residents in Medicare certified long-term care  
15 (LTC) facilities such as skilled nursing facilities (SNF) so no other additional language should be

1 inserted into this bill. CMS requires states to have a CMS-approved CMP reinvestment plan and  
2 they will reject Hawaii's plan if a specific spending limit is stated in statute.

3 Section 321-30.2 HRS established the CMP special fund with an annual spending ceiling  
4 of \$30,000. CMS requires that state statutes not contain spending limits so that favorable  
5 reinvestment projects can be better funded from CMP moneys. Hawaii's current CMP fund  
6 balance is \$1,234,567.01, and \$178,203.29 was deposited during fiscal year 2020.

7 CMS's CMP reinvestment program is authorized by 42 CFR 488.433 to support projects  
8 that benefit nursing home residents and that protect or improve their quality of care or quality of  
9 life. The CFR requires states to maintain an acceptable CMP reinvestment plan, approved by  
10 CMS, for the effective use of CMP reinvestment funds. Unfortunately, because of Hawaii's  
11 current statutory spending limit, Hawaii's plan was deemed unacceptable. Hawaii's plan includes  
12 a process of obtaining information on beneficial projects through a request for information (RFI)  
13 process and then publishing requests for proposals (RFP) and contracting with agencies to fund  
14 projects pursuant to CMS guidelines. All projects must be approved by CMS and the  
15 Department must follow state procurement laws. State procurement laws and the contracting  
16 process will take time and effort to accomplish, but it's a worthwhile effort to improve the lives  
17 of our *kupuna*. In addition, if Hawaii's plan continues to not be acceptable to CMS, CMS could  
18 elect to cease sharing of CMP moneys with Hawaii.

19 Thank you for the opportunity to testify in strong SUPPORT of Part I of this bill.

20 **Offered Amendments:** None.



**Thursday, July 2, 2020 at 10:10 am**  
**Capitol Auditorium**

**Senate Committee on Ways and Means**

To: Chair Donovan M. Dela Cruz  
Vice Chair Gilbert S.C. Keith-Agaran

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

Re: **Testimony in Support of Part I**  
**HB 1637 HD 1 SD 1, Relating to Health**

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.

Thank you for the opportunity to provide our **support** of Part I of this measure, which would lift the annual ceiling on the Medicare Civil Monetary Penalty (CMP) Special Fund. (We do not have a position on the other parts of the legislation.) The fines that are collected and put into this fund are meant to be returned to the states in which they are imposed to improve nursing facility residents' quality of life or care. Especially right now, removing the ceiling on this special fund will enable our members to undertake quality improvement initiatives that will provide a meaningful benefit to patients.

Recently, 23 of our members were awarded \$30,000 from this fund to enable virtual visits with loved ones in skilled nursing facilities (SNFs). These virtual visits are critical as SNFs restrict in-person visits to keep vulnerable patients as safe as possible during the ongoing pandemic. In past years, these funds have been used to support projects and initiatives that have improved patient care. Notable examples include the development and implementation of a music and memory therapy program in nursing facilities; an infection prevention and control training for nursing facility staff; the integration of a telemedicine system to improve resident health outcomes and prevent rehospitalizations; and a workforce retainment program to reduce turnover and increase residents' quality of care.

We appreciate the opportunity to support the intent of Part I of this measure and to provide our concerns.

**HB-1637-SD-1**

Submitted on: 7/1/2020 6:31:38 AM

Testimony for WAM on 7/2/2020 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Phukhaothong Gnouilaphi	Individual	Oppose	No

Comments:

I am a proud resident of Hawaii and I strongly oppose giving power to the department of health to declare emergencies, take any action to prevent disease, release confidential medical info, use officers or law enforcement to enforce emergency declarations. I believe there should be a process that will give the best interest of the community rather than give 100% power to the health department or director to do as please as long as it declares emergency action. Our constitutional rights are being stripped away with this bill.

**LATE**

**HB-1637-SD-1**

Submitted on: 7/1/2020 3:17:39 PM

Testimony for WAM on 7/2/2020 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Rayne Kauhi	Individual	Support	No

Comments: