



STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony in SUPPORT of H.B.1637 PROPOSED HD1
RELATING TO HEALTH.**

REPRESENTATIVE JOHN M. MIZUNO, CHAIR
HOUSE COMMITTEE ON HEALTH

Hearing Date: Thursday, February 13, 2020 Room Number: 329

1 **Fiscal Implications:** None.

2 **Department Testimony:** The Department of Health SUPPORTS this bill to align Section 321-
3 30.2 Hawaii Revised Statute (HRS) with the U.S. Centers for Medicare and Medicaid (CMS)
4 civil monetary penalty (CMP) reinvestment program and to return moneys to skilled nursing
5 facilities to improve the care and lives of our *kupuna*.

6 Section 321-30.2 HRS established the CMP special fund with an annual spending ceiling
7 of \$30,000. However, CMS now prefers that state statutes not contain spending limits so that
8 favorable reinvestment projects can be better funded from CMP moneys. As of June 30, 2019,
9 Hawaii's CMP fund balance was \$1,051,157, and \$371,324 was deposited during fiscal year
10 2019.

11 CMS's CMP reinvestment program is authorized by 42 CFR 488.433 to support projects
12 that benefit nursing home residents and that protect or improve their quality of care or quality of
13 life. The CFR requires states to maintain an acceptable CMP reinvestment plan, approved by
14 CMS, for the effective use of CMP reinvestment funds. Unfortunately, because of Hawaii's
15 current statutory spending limit, Hawaii's plan was deemed unacceptable. Hawaii's plan includes

1 a process of obtaining information on beneficial projects through a request for information (RFI)
2 process and then publishing requests for proposals (RFP) and contracting with agencies to fund
3 projects pursuant to CMS guidelines. All projects must be approved by CMS and the
4 Department must follow state procurement laws. State procurement laws and the contracting
5 process will take time and effort to accomplish, but it's a worthwhile effort to improve the lives
6 of our *kupuna*.

7 Thank you for the opportunity to testify in SUPPORT of this bill.

8 **Offered Amendments:** None.



February 13, 2020 at 9:00 am
Conference Room 329

House Committee on Health

To: Chair John M. Mizuno
Vice Chair Bertrand Kobayashi

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

Re: **Testimony in Support**
HB 1637 Proposed HD 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 **support** this measure, which would lift the ceiling on the funds that can be used from the Medicare Civil Monetary Penalty (CMP) Special Fund each year. CMPs are fines that may be imposed by the Centers for Medicare and Medicaid Services (CMS) on Medicare- and Medicaid-certified nursing facilities found to be out of compliance with certain federal regulations. CMS intends for the majority of the penalty funds collected to be returned to the states in which they are imposed to improve nursing facility residents' quality of life or care.

Removing the ceiling on this special fund will enable our members to undertake quality improvement initiatives that will provide a meaningful benefit to patients. In fact, many of our members have already completed 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 this measure.

HB-1637

Submitted on: 2/12/2020 5:54:08 PM

Testimony for HLT on 2/13/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Marsha Joyner	Hawaii Martin Luther King, Jr. Coalition	Support	Yes

Comments:

Aloha Pumehana,

As you know there is a critical need for outreach, education, community support and employer support toward the full understanding of Medicare. It primarily provides health insurance for Americans aged 65 and older, also for some younger people with disability status as determined by the Social Security Administration, as well as people with end-stage renal disease and amyotrophic lateral sclerosis (ALS or Lou Gehrig's disease).

Despite gains in coverage and access to care from the ACA and other insurance programs, national findings suggest that this coverage did not change the proportion of persons with medical causes, co-pays and mounting hospital bills filling for bankruptcy. When individuals and/or businesses enter bankruptcy in large numbers, it has the potential to negatively impact the economy of Hawaii. As well as a contributing factor to homelessness.

By not fully understanding the multifaceted Medicare

enrollment rules, many Hawaii companies which have less than 20 employees, the self-employed, contract workers,

are putting their Medicare-eligible workers, dependents and themselves at risk for **lifelong Medicare penalties**, gaps in insurance coverage and bankruptcy due to non-covered medical bills.

Therefore, it is vitally important for the State of Hawaii to contract a fully certified person with the (CMS) Center of Medicare and Medicaid Services and quantifiable experience as well as demonstrate direct experience working with individuals, families, small business owners, independent contractors, unions, non-profit organizations, physician groups, hospitals, and clinics. This will save the State of Hawaii millions of dollars for years to come. **As “HB No. 1637: Relating to Contract Services” requests.**

Thank you for your continued support.

HB 1637

LATE

Yvonne Ward, CHC Evergreen Day Care In Hawaii

2018 Chronic Care Act - improve their health

CMS now requires daily maintenance services to be covered. Therefore, supplemental health care benefits, such as in-home care, adult day care, and a variety of non-medical, in-home items and services may be covered by Medicare part C.

By adding these services, I would ask you to consider the across the board cost savings. Research has shown that Social Determinants of Health can impact 80% of health care costs. Social Determinants are non medical that affect health care, such as food security access to transportation and social isolation.

It like having a fish in a gold fish bowl – if the fish is sick you can the best veterinarian , give the best food and fish medicine – but if you don't change the water it will all be wasted money.

Its important to think upstream with Policy – enabling Medicare advantage plans to cover daily maintenance will have far reaching affect down stream.

According to AARP “ Every month, Medicare spends approximately \$134 more for each socially isolated older adult than it would if the person were connected; as an estimated 4 million older adults enrolled in traditional Medicare are socially isolated, this represents an estimated \$6.7 billion in additional Medicare spending annually.

In our center for example one member was going to the emergency room 3 times per week before attending our day program , when asked by the care manager why she went so frequently she admitted she was lonely.

HB 1637

HB-1637

Submitted on: 2/11/2020 4:55:08 PM

Testimony for HLT on 2/13/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel park	Individual	Support	Yes

Comments:

HB-1637

Submitted on: 2/12/2020 7:21:08 PM

Testimony for HLT on 2/13/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
hye kim	Individual	Support	Yes

Comments:

I have heard lots people who need some help at home but they could not get it. In particular, those elderly who have only medicare cannot request adult daycare or home care services for daily maintenance because currently medicare is not covering it. But, if they are not eligible for medicaid they cannot have any help for daily maintenance such as adult day care or homecare covered by the state. They cannot afford it on their own, either. So, if this bill passes, it would help lots of vulnerable elderly people who are at risk at home. We can help them to stay safe at home and in the community. This leads to save the government health care related expenses eventually because by providing the daily maintenance services to the elderly people the nursing home or the emergency admission will reduce.

HB-1637

Submitted on: 2/12/2020 4:49:40 PM

Testimony for HLT on 2/13/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sai Ho	Individual	Support	Yes

Comments:

In order to stay in compliance with Centers for Medicare and Medicaid (CMS) rules and regulations, pursuant to their amendments announced on April 2, 2018, CMS now requires "daily maintenance" services to be covered. Therefore, supplemental health care benefits, such as in-home care, adult day care, and a variety of non-medical, in-home items and services may be covered by Medicare part C. By inserting this language in this bill we request the department to work to educate and provide awareness to the recent amendments to Medicare Part C to ensure providers and our elderly and disabled have this information and may be able to avail of such services covered by Medicare Part C.

LATE

TO THE HOUSE OF REPRESENTATIVES
THE THIRTIETH LEGISLATURE
REGULAR SESSION OF 2020

COMMITTEE ON HEALTH
Rep. John M. Mizuno, Chair
Rep. Bertrand Kobayashi, Vice Chair

LATE TESTIMONY

DATE: Thursday, February 13, 2020
TIME: 9:00 a.m.
PLACE: Conference Room 329
State Capitol
415 South Beretania Street
HEARING HB1637

POSITION: STRONG SUPPORT HB1637 with comment with suggested amendments

This bill provides an avenue of outreach and education that is missing in the vital link of care, connecting persons that are self-employed or do not meet the requirements for the Current State program SHIP. SHIP has done a tremendous job with the mission they have been given and the capacity of their current staff. However, to meet the needs of the growing cohort of individuals which there must be an added addition to address the concerns the (ADMENEDMEND LANGAUGE)of the bill explains.

The ability of a person to avoid paying unnecessary lifetime penalties in cost of care is quite compelling when looking at one of the largest reasons for bankruptcy is medical debt. In the United States, Congress in bi-partisan support signed on to this measure a bill in which the federal government recognized these need for services and provides the state resources toward these outreach efforts.

Language in the press release states: Why do we need the BENES Act (S. 1280/H.R. 2477)?

“Complex Medicare enrollment rules and lacking notification cause tens of thousands of older adults and people with disabilities to face lifetime fines, coverage gaps and other harmful consequences. With fewer people automatically enrolled in Medicare—and 10,000 Baby Boomers aging into Medicare each day—more people new to Medicare must actively enroll in the program.

*Individuals who miss their initial Medicare enrollment window may pay lifetime late enrollment penalties, experience lengthy gaps in outpatient health coverage or face unaffordable and unexpected out-of-pocket health care costs. In 2018, about 760,000 people with Medicare were paying a Part B Late Enrollment Penalty (LEP) and the average LEP amounted to **nearly a 28% increase in a beneficiary’s monthly premium**”.*

<https://www.aging.senate.gov/imo/media/doc/BENES%20Act%20One%20Pager%200419.pdf?fbclid=IwAR3RW2TG1I7BpCvchLRPqic3AMoLnnk8pkiXVmfEQ00zwsIPMV86fiBNTnw>

<https://www.congress.gov/bill/116th-congress/house-bill/2477>

This bill, unfortunately, was not given a which is unfortunate for the persons that would benefit from such services. Hawaii because of our aging population needs to take this matter seriously and plan accordingly.

Please support this bill with the suggested amendments as it will strengthen the intent of this proposed legislation and provide the State of Hawaii with the type of expert that has the experience as provided in the amended language along with acumen, competence and a cooperative relationship with existing health care stakeholders. Thank you for taking the time in reading this testimony

Mahalo,

Ken Farm

<https://www.aging.senate.gov/imo/media/doc/BENES%20Act%20One%20Pager%200419.pdf?fbclid=IwAR3RW2TG1I7BpCvchLRPqic3AMoLnnk8pkiXVmfeQO0zwsIPMV86fiBNTnw>

<https://www.congress.gov/bill/116th-congress/house-bill/2477>