



**STATE OF HAWAII**  
**DEPARTMENT OF HEALTH**  
P. O. Box 3378  
Honolulu, HI 96801-3378  
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of SB3175**  
**RELATING TO THE STATE HEALTH INSURANCE ASSISTANCE PROGRAM.**

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

Hearing Date: February 25, 2020

Room Number: 211

1 **Fiscal Implications:** Proposed \$275,000 general fund appropriation.

2 **Department Testimony:** The Department of Health (DOH) strongly recommends amendments  
3 for clarity and to assure partners and beneficiaries of the State Health Insurance Program (SHIP)  
4 and served as timely as possible if enacted.

5 Hawaii's SHIP activities are administered by the Executive Office on Aging (EOA), and not the  
6 Department of Health to which it is administratively attached. Specifying EOA in SB3175's  
7 appropriation section will expedite expenditure to assist kupuna with minimal delay.

8 Thank you for the opportunity to testify.

9 **Offered Amendments:**

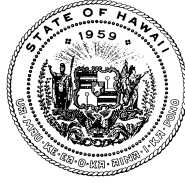
10 Page 3, Lines 13 – 14.

11 The sum appropriated shall be expended by the [~~department~~  
12 ~~of health~~] executive office on aging for the purposes of this  
13 Act.

14 Or,

15 The sum appropriated shall be expended by the department of  
16 health executive office on aging for the purposes of this Act.

DAVID Y. IGE  
GOVERNOR OF HAWAII



CAROLINE CADIRAO  
DIRECTOR

BRUCE ANDERSON  
DIRECTOR OF HEALTH

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

Telephone  
(808) 586-0100

Fax  
(808) 586-0185

**Testimony in SUPPORT of SB3175  
Relating to the State Health Insurance Assistance Program**

COMMITTEE ON WAYS AND MEANS  
SENATOR DONOVAN M. DELA CRUZ, CHAIR  
SENATOR GILBERT S.C. KEITH-AGARAN, VICE CHAIR

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

Hearing Date: February 25, 2020  
12:25 PM

Room Number: 211

- 1 **EOA's Position:** The Executive Office on Aging (EOA), an attached agency to the Department
- 2 of Health, supports the intent of SB3175.
- 3 **Fiscal Implications:** This measure appropriates \$275,000 for FY20-FY21.
- 4 **Purpose and Justification:** The purpose of this bill is appropriate funds to the state health
- 5 insurance assistance program so that it can grow and continue to reach additional senior citizens
- 6 in Hawaii with its important services.
- 7 Administered in Hawaii by the Executive Office on Aging, the Hawaii State Health Insurance
- 8 Assistance Program (SHIP) is a volunteer-based program whose mission is to empower, educate,
- 9 and assist Medicare-eligible individuals, their families, caregivers, and soon-to-be-retirees
- 10 through objective outreach, counseling, and training to make informed health insurance decisions
- 11 that optimize access to care and benefits.

1 Hawaii SHIP is recognized as a reliable source in Hawaii for accurate information on health  
2 plans and other related topics. The service is local, one-on-one, and unbiased, as Hawaii SHIP is  
3 not affiliated with any insurance company or entity. Topics include Medicare eligibility and  
4 enrollment, Late enrollment penalty, Medicare Parts A, B, C, D, Medicare Supplement/Medigap,  
5 medical/drug plan comparison, Extra Help, Medicare Savings Program, Social Security card  
6 replacement, Social Security disability, long-term care benefits, Medicaid eligibility and  
7 disenrollment, dental, vision, hearing plans, durable medical equipment, preventive screenings  
8 and services, quality of care monitoring, scams and fraud education, coordination of benefits,  
9 claims/appeals, summary notice/billing discrepancies, plan terminations, broker/agent  
10 misrepresentation, and Marketplace plans for uninsured or underinsured. The services provided  
11 by SHIP has demonstrated at the national level to save beneficiaries hundreds of thousands of  
12 dollars. For example, \$110 million dollars saved by beneficiaries in Massachusetts, \$56 million  
13 in Michigan, and \$53 million in North Carolina. Medicare beneficiaries who chose the least  
14 expensive Part D prescription plan available in their region, saved an average of \$368 per year.  
15 The state health insurance assistance program has two full-time equivalent (2.0 FTE) staff that  
16 train and support over one hundred certified Medicare counselors statewide. In 2019, Hawaii  
17 SHIP volunteers and in-kind staff contributed 6,733 hours valued at over **\$171,220**, based on the  
18 national rate of \$25.43 per hour of volunteer work (source:[https://independentsector.org/news-  
19 post/new-value-volunteer-time-2019/](https://independentsector.org/news-post/new-value-volunteer-time-2019/)). Volunteers provide one-on-one counseling, support  
20 community outreach events, senior and employer group presentations, administrative support,  
21 training, and distribution of information statewide. In 2019, 3,100 inquiries were made to the  
22 Hawaii SHIP helpline and website. Approximately 2,264 individuals received counseling, and

1 14,335 individuals were reached at community events. Hawaii SHIP averaged over twenty  
2 inquiries and counseling sessions per day.  
3 In 2018, Hawaii had 262,864 Medicare beneficiaries (Part A or Part B), and that figure continues  
4 to grow. However, the number of dedicated staffing positions has never changed since the  
5 inception of the program. The table below shows the number of full-time dedicated staffing of  
6 other states that have comparable Medicare populations.

State	# of Medicare beneficiaries	# of FTE
Wyoming	101,000	7
North Dakota	102,000	3
Maine	143,341	1.75
Delaware	208,766	4
<b>Hawaii</b>	<b>262,864</b>	<b>2</b>

7 Hawaii SHIP has experienced significant growth during the past three years, however, still falls  
8 short of the three percent (3%) penetration goal of the total Medicare population, as set by the  
9 federal funders. Three percent of the Medicare market in Hawaii approximates to seven thousand  
10 five hundred (7,500) individuals assisted annually. However, further growth is not possible at  
11 current staffing and funding levels.

12 In 2017, President Trump proposed cutting the SHIP program entirely, however, strong  
13 advocacy resulted in the re-establishment of the original 49 Million(M) budget, which was  
14 subsequently distributed in population-based awards to 54 grantees nationwide. In 2020, the  
15 SHIP program is again being challenged by the President with a proposed 30% to 100%  
16 proposed cut to the SHIP budget for 2020-2021. Due to the instability of SHIP's federal funding,

1 the future of Hawaii SHIP is uncertain. For the first time in 28 years since the program began,  
2 EOA is seeking general funds to support the invaluable counseling and educational services that  
3 Hawaii SHIP provides to older adults, their families, and soon to be retirees. With additional  
4 funding, EOA/Hawaii SHIP will expand outreach and Medicare counseling sites to increase  
5 access to SHIP services, targeting populations with limited income, limited English proficiency,  
6 or who reside in rural communities across the State.

7 **Recommendation:** EOA supports the intent of this measure provided that its enactment does not  
8 reduce or replace priorities with the Administration's budget request.

9 Thank you for the opportunity to testify.

**SB-3175**

Submitted on: 2/23/2020 6:49:40 PM

Testimony for WAM on 2/25/2020 12:25:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Isaac Sagario	Individual	Support	No

Comments:

Senator Donovan M. Dela Cruz,  
Chair  
Gilbert S. C. Keith-Agaran, Vice  
Chair  
and Means

Senator  
Committee on Ways

Isaac U.  
Sagario  
Volunteer with Hawaii State Health Insurance Assistance  
Program Phone: [808-3989685](tel:808-3989685)

February 24, 2019

Support for S. B. No. 3175, Relating to the State Health Insurance Assistance Program.

As a volunteer with the Hawaii State Health Insurance Assistance Program (SHIP) since July 2019 and a retiree from the Hawaii state government, I sincerely see the importance of this honorable program, its mission and values. Therefore, I fully support S.B. No. 3175, relating to the State Health Insurance Assistance Program, which would provide necessary funding to build community partnerships and better increase our volunteer base to inform, educate, counsel and assist a larger range of people throughout the state of Hawaii about Medicare.

With more partnerships and volunteers, Hawaii SHIP could provide more outreach and education to Hawaii's residents. I urge the committee to pass S. B. 3175.

Thank you for this opportunity to testify.

Respectfully Submitted,

Isaac U.  
Sagario

**SB-3175**

Submitted on: 2/23/2020 12:20:26 PM

Testimony for WAM on 2/25/2020 12:25:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
edward peskin,MD	Individual	Support	No

Comments:

Senator Dela Cruz

Senator Keith-Agaran

Committee on Ways and Means

Edward Peskin,MD

Volunteer with Hawaii State Health Insurance Assistance Program

18 Makakai Place

Hilo, HI 96720

(Cell) 808-333-0285

Support for H.B. No. 2452 / S.B. No. 3175, Relating to the State Health Insurance Assistance Program

Dear Senators Dela Cruz and Keith-Agaran;

I am a volunteer Medicare counselor with the State Health Insurance Assistance Program and am also a retired physician who saw patients in the Hilo area and was the East Hawaii Medical Director for the Hawaii Health Systems Corporation from 2010 until 2017. In both my clinical practice and as a hospital medical director, I saw or heard of many patients who did not get the medications, lab tests, x-rays, or follow-up care because they were concerned about the cost. For example, it is estimated that 30% to

50% of patients either never pick up their prescriptions or take them incorrectly, partially due to financial concerns. Their financial concern is often because they made a poor choice of insurance or were not aware of the many programs for low income Hawaii and U.S. residents. I believe that I and the many SHIP volunteers are helping our fellow residents obtain better coverage that will allow them to make medical decisions with less concern about cost. Better ability to pay and health for our residents will also ultimately result in lower costs to our health care system, which is significantly subsidized by the state and the U.S. government.

An example is a resident that I counseled yesterday who is 68 years old and whose's only medical insurance is the free Medicare Part A which only partially covers hospital costs. She has no insurance at all for outpatient care. She had a major injury to her leg, did not seek care until she get much worse because of cost concerns, and now has a much worse situation with thousands of dollars in doctor bills and who may end up with additional thousands of hospital bills if she needs in-patient care. It is very likely that she will not be able to pay for her care. If she had approached a SHIP counselor before this accident, it is very likely that we would have been able to help her obtain cost effective insurance or a subsidy program and would have been able to prevent the worsening of her health and financial situation. Cases like this is the reason why I and other counselors have volunteered. In addition, if she and others like her cannot afford to pay their bills, the State of Hawaii sometimes directly or indirectly end up subsidizing the public hospitals and their clinics for un-reimbursed care.

In my previous role as Medical Director for three hospitals on the Big Island, I have dealt with many staff members and executives of Hawaii State Government. I have found the very small number of staff working at the SHIP program to be among the very best state employees that I have encountered, due to their very hard work ethic due to understaffing, their prompt and helpful responses to my and other volunteers' many questions and suggestions, and their dedication to serving the needs of the SHIP clients. It is clear to me that they need additional staff, and that staff will give them a much better chance of reaching the increased number of clients needed to continue the federal funding for SHIP.

Therefore, I encourage you to pass SB3175 and HB2452 because the cost is low compared to the benefit to the clients and to the State of Hawaii budget through continued federal funding. Thank you.

Edward Peskin, MD



## Background Information about SHIP

Hawaii State Health Insurance Assistance Program (SHIP) is a federally funded, volunteer-based program that is administered by the Hawaii State Department of Health, Executive Office on Aging. Hawaii SHIP helps Medicare-eligible individuals, their families and caregivers, and soon-to-be retirees make informed, cost-effective healthcare decisions. This is accomplished through one-on-one counseling sessions, answering questions and distributing informative brochures at health fairs, and providing Medicare-related presentations. These services are free to the public who contact Hawaii SHIP through the Help Line and website. Volunteers, who provide these important services, are recruited and trained throughout the year to keep up with the changes or updates to Medicare.

Hence, I strongly support H.B. No. 2452 / S.B. No. 3175, Relating to the State Health Insurance Assistance Program, which would provide Hawaii SHIP with much-needed funding to build partnerships and increase our volunteer base to inform and educate more people throughout Hawaii about Medicare.

There are 276,478 Medicare beneficiaries statewide as of December 2019. Hawaii SHIP's goal is to assist as many beneficiaries in Hawaii as possible. In 2019, SHIP had 3,100 inquiries to the Help Line and website, 2,264 seniors received counseling, and 14,335 individuals were reached at community events. By 2025, SHIP will need to reach 10,000 Medicare beneficiaries which is a 340% increase from SHIP's current capacity.

With more partnerships and volunteers, Hawaii SHIP could provide more outreach and education to Hawaii's residents. I urge the committee to pass H.B. No. 2452 / S.B. No. 3175. Thank you for this opportunity to testify.

Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair

Committee on Ways & Means

Mae Fujii  
Volunteer with Hawaii State Health Insurance Assistance Program  
808-395-1460

February 25, 2020

**Support for SB 3175, Relating to the State Health Insurance Assistance Program**

In less than three years, I have seen SHIP HAWAII, under the aegis of the EOA, undergo a phenomenal growth in statewide membership from about 20 to more than a 100 volunteers & associates. After a much-needed face-lift with improvements in procedures & technology, SHIP has expanded services to reach a larger & wider population in carrying out its mission to assist beneficiaries in choosing the best Medicare insurance plans for their health care & wellness through outreach, exhibits, counseling, & presentations. Our dedicated volunteers, representing all walks of life & professions, receive on-going in-service training at meaningful & productive monthly meetings on all major islands, participate in the annual statewide recertification conference, & go online for timely webinars for updates on changes from Medicare & our partners like Medicaid & Social Security.

As a SHIPmate since 2017, with twenty years of volunteerism in three EOA programs, I have gained invaluable experiences in our sister programs--LTCOP & SMP--and presently enjoy educating, empowering, & assisting our beloved kupuna to navigate through the maze of Medicare & other health insurance plans to make the best informed decisions. Let me share two unforgettable experiences that reflect how well our counseling & community outreach services are appreciated by those we serve. In conducting a reference interview for a potential applicant, the respondent surprised me with, "Why are you working on a holiday?" to which I replied, "Because we SHIPmates enjoy working all-year round to serve our community." While assisting a disgruntled beneficiary with a complex insurance issue, I derived inexpressible pleasure when his mood did a complete turn-around during our phone counseling session which ended with this declaration, "I'm calling the President to ask that you volunteers get paid for all that you do!" I silently chuckled at the irony of what he said. These lighter moments of humor along with the gratitude, appreciation, & friendly hugs, have given me a meaningful purpose in retirement & immeasurable rewards along with friendships shared with admirable SHIPmates. Moreover, our outstanding staff at the helm deserve our recognition & appreciation during this opportunity to present testimony.

I humbly ask the members of the Ways & Means Committee to favorably consider & support SB 3175 for general funding to expand our on-going journey to provide assistance to Hawaii's aging "tsunami" population, who deserve only smooth sailing in their golden years.

Respectfully submitted,  
Mae Fujii

Senator DelaCruz, Chair  
Senator Keith-Agaran, Vice Chair  
Committee on WAM

Ken Nakagawa  
Volunteer with Hawaii State Health Insurance Assistance Program  
Ph. 369-3462, work  
2/23/20, 11:55a.m.

Support for S.B. No. 3175, Relating to the State Health Insurance Assistance Program

Hawaii State Health Insurance Assistance Program (SHIP) is an educational, social service-based, and much needed program for Hawaii' growing aging population. I have weekly contact with this target population and the results of my dialogues with this target population affirms that this program and its services are sought after by the elderly, soon-to-be elderly, and relatives and friends of them. The people I talk to are always appreciative of the answers to their many questions about Medicare.

Hence, I strongly support S.B. No. 3175, Relating to the State Health Insurance Assistance Program, which would provide Hawaii SHIP with much-needed funding to build partnerships and increase our volunteer base to inform and educate more people throughout Hawaii about Medicare.

There are 276,478 Medicare beneficiaries statewide as of December 2019. This is equivalent to one (1) out of four (4) people in the State. As this ratio rapidly increases, so will the questions and inquiries. As such, the SHIP program has its course set. And as with any journey, money is needed to finance it.

I strongly urge the committee to pass S.B. No. 3175. I, and behalf of the masses of elderly folks, thank you for this opportunity to testify.

**SB-3175**

Submitted on: 2/25/2020 12:33:48 PM

Testimony for WAM on 2/25/2020 12:25:00 PM

**LATE**

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

Comments: