

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

P.O. BOX 2121
HONOLULU, HAWAII 96805-2121
Oahu (808) 586-7390
Toll Free 1(800) 295-0089
www.eutf.hawaii.gov

BOARD OF TRUSTEES
RODERICK BECKER, *CHAIRPERSON*
AUDREY HIDANO, *VICE-CHAIRPERSON*
CHRISTIAN FERN, *SECRETARY-TREASURER*
LINDA CURRIVAN MUSTO
DAMIEN ELEFANTE
LAUREL JOHNSTON
GORDON MURAKAMI
CELESTE Y.K. NIP
CLIFFORD UWAIINE
RYKER WADA

ADMINISTRATOR
DEREK M. MIZUNO

ASSISTANT ADMINISTRATOR
DONNA A. TONAKI

WRITTEN ONLY

TESTIMONY BY DEREK MIZUNO
ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEES ON LABOR & PUBLIC EMPLOYMENT AND HEALTH
ON SENATE BILL NO. 417 S.D. 2

March 14, 2019
8:30 a.m.
Room 329

RELATING TO HEALTH

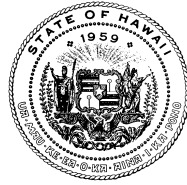
Chairs Johanson and Mizuno, Vice Chairs Eli and Kobayashi, and Members of the Committees:

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of Trustees has not taken a position on this bill. EUTF staff would like to provide comments.

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



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

Testimony COMMENTING on S.B. 417, S.D. 2
RELATING TO HEALTH

REPRESENTATIVE AARON LING JOHANSON, CHAIR
HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

REPRESENTATIVE JOHN M. MIZUNO, CHAIR
HOUSE COMMITTEE ON HEALTH

Hearing Date: March 14, 2019

Room Number: 329

1 **Fiscal Implications:** S.B. 417 S.D.2 appropriates an unspecified amount of funds to the
2 Department of Human Services for the purposes of this Act. The Department of Health
3 respectfully defers to the Department of Human Services for implementation and fiscal
4 implications, and to the Governor's Executive Biennium Budget priorities.

5 **Department Testimony:** The Department of Health (DOH) supports the intent of S.B. 417
6 S.D.2 to expand Medicaid and medical service plan coverage for emergency medical services
7 (EMS) to individuals who are treated by EMS personnel but not transported to a hospital as part
8 of a Statewide Community Paramedicine program.

9 In 2018, EMS providers treated and transported 89,770 patients. EMS also responded to 21,473
10 calls representing 14.4% of all EMS responses where the patient was treated but not transported.
11 This is an increase from 12.7% in 2015.

12 DOH recognizes the significant challenges to providing quality health care and emergency
13 medical services to the State's expanding population of residents and visitors. As the cost of
14 quality health care continues to increase, alternatives to the traditional provision of health care
15 are required. S.B. 417 S.D.2 provides for an important component for an innovative model for
16 breaking the cycle of dependence on the emergency care system – Community Paramedicine
17 (CPM). The goal of the CPM program is to meet the Institute of Healthcare Improvement's

- 1 triple aim: 1) Improve patient outcomes, including their experience of care, 2) Improve health of
- 2 the population, and 3) Reduce costs. Paramedics possess the requisite skills and community
- 3 standing as a trusted medical partner to reinvent our current pre-hospital medical care system to
- 4 meet the triple aim. CPM provides the opportunity to provide the right care by the right provider
- 5 at the right time in the right place.

- 6 Thank you for the opportunity to testify.

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

March 12, 2019

TO: The Honorable Representative Aaron Ling Johanson, Chair
House Committee on Labor and Public Employment

The Honorable Representative John M. Mizuno, Chair
House Committee on Health

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 417 SD 2 – RELATING TO HEALTH**

Hearing: Thursday, March 14, 8:30 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the bill as it relates 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.

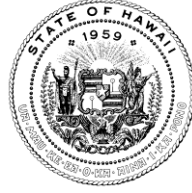
DHS is committed to covering the delivery of services that result in better health, better care, sustainable costs, as we continue to transition away from payment systems for health care that are based on rewarding volume, to one that improves value and outcomes. For this reason, DHS is supportive of 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.

CP is an emerging innovative 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, 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.

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.



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Labor and Public Employment
and
House Committee on Health
Thursday, March 14, 2019
8:30 a.m.
State Capitol, Conference Room 329**

**On the following measure:
S.B. 417, S.D. 2, RELATING TO HEALTH**

Chair Johanson, Chair Mizuno, and Members of the Committees:

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.

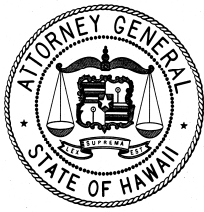
The purpose of this bill is to require insurance coverage of ambulance services, authorize Medicaid programs, and require private insurers to pay for community paramedicine services provided by emergency medical technicians or paramedics. This bill also appropriates moneys for Medicaid to cover community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

Finally, the Department notes that sections 1 and 4 of the bill use the term "statewide community paramedicine services," whereas sections 2 and 3 use the term "statewide services."

Thank you for the opportunity to testify on this bill.



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

ON THE FOLLOWING MEASURE:

S.B. NO. 417, S.D. 2, RELATING TO HEALTH.

BEFORE THE:

HOUSE COMMITTEES ON LABOR AND PUBLIC EMPLOYMENT AND ON HEALTH

DATE: Thursday, March 14, 2019

TIME: 8:30 a.m.

LOCATION: State Capitol, Room 329

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

Chairs Johanson and Mizuno and Members of the Committees:

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.



March 14, 2019

The Honorable Chair Johanson
Committee On Labor & Public Employment

The Honorable Chair Mizuno
The Committee on Health

Re: SB 417, SD2 Relating to Health

Dear Chairs Johanson and Mizuno,

American Medical Response (AMR) strongly supports the SB 417 SD2. AMR is the State contracted 911 provider for the counties of Maui & Kauai. SB 417 is important legislation which will allow Hawaii's EMS System to develop innovative and sustainable programs statewide for our residents and visitors.

Under the State Comprehensive Emergency Medical Services System, the Department of Health shall establish reasonable fees for services rendered to the public provided that all such revenues shall be deposited into the state general fund. Historically, the State has billed for patients transported to hospitals. This legislation enables the State to bill for patients treated and transported/released to care alternatives other than a hospital.

This paradigm shift benefits the Hawaii EMS system in a very significant way. SB No. 417 enables the creation of sustainable "Community Paramedicine" model to address the need for additional EMS capacity to meet Hawaii's pre-hospital care needs.

Thank you for your consideration of this measure and your continued support for the emergency medical needs of our communities.

Sincerely,

Speedy Bailey, Regional Director
American Medical Response



LATE

March 13, 2019

The Honorable Aaron Ling Johanson, Chair
The Honorable Stacelynn K.M. Eli, Vice Chair
House Committee on Labor & Public Employment

The Honorable John M. Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair
House Committee on Health

Re: SB 417, SD2 – Relating to Health

Dear Chair Baker, Chair Johanson, Vice Mizuno, Vice Chair Eli, Vice Chair Kobayashi, and Committee Members:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 417, SD2, which requires medicaid and insurance coverage of ambulance services. This measure also authorizes medicaid programs, and requires private insurers, to pay for community paramedicine services provided by emergency medical technicians or paramedics. Additionally, this measure appropriates funds for medicaid to cover both ambulance services and community paramedicine services provided by emergency medical technicians or paramedics.

HMSA appreciates the intent of this measure, to better meet the needs of our underserved populations and to address high cost utilizers. However, we have concerns with regards to the scope of coverage that would be required of insurers, specifically that insurers may be required to reimburse both ambulance and paramedic services separately even for the same medical event. Clarification is needed around the type of ambulance services that must be covered (e.g. ground or air). Also, a specific list of statewide services rendered by an emergency medical technician or paramedic that needs to be covered would be helpful.

We understand that this is a work in progress, and we will continue to work with the Hawaii State Department of Health and the Med-Quest Division on this bill. Thank you for allowing us to provide these comments on SB 417, SD2.

Sincerely,

Pono Chong
Vice President, Government Relations

TO: The Honorable Aaron Johanson, Chair
FROM: Kim McCumsey
SUBJECT: SB 792 S.D. 2, Relating to Employee Training

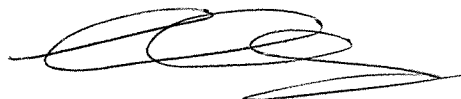
My name is Kim McCumsey, and I am a School of Social Work student at the University of Hawaii at Manoa and a City and County employee. I am submitting testimony to strongly **oppose** Senate Bill 792 S.D. 2, Relating to Employee Training. This bill seeks to add another **mandatory deduction** from a public employees' gross salary.

I know that I struggle every month to pay for my expenses and attend school to better myself. It is inconceivable to me to think that yet another tax would be added to my paycheck, when many of us live paycheck to paycheck even a small tax can have devastating repercussions.

The cost of living in Hawaii is extremely high and too many residents are struggling to pay for housing, food and medication. To add an additional **mandatory deduction** would create an even greater hardship on an already overburdened employee. Public employees' already have union representation, human resources departments and labor specialists to help guide them with their employment. To create this program is a waste of the employee's hard earned money when there are avenues already in place for their assistance.

Thank you for the opportunity to testify in Opposition of SB792 S.D. 2, Relating to Employee Training.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kim McCumsey', with a long horizontal flourish extending to the right.

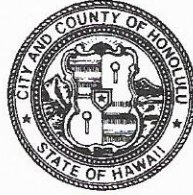
Kim McCumsey

HONOLULU EMERGENCY SERVICES DEPARTMENT
CITY AND COUNTY OF HONOLULU

3375 KOAPAKA STREET, SUITE H-450 • HONOLULU, HAWAII 96819-1814
Phone: (808) 723-7800 • Fax: (808) 723-7836

LATE

KIRK CALDWELL
MAYOR



JAMES D. HOWE, JR.
DIRECTOR

IAN T.T. SANTEE
DEPUTY DIRECTOR

March 13, 2019

The Honorable Aaron Ling Johanson, Chair
The Honorable Stacelynn K.M. Eli, Vice-Chair
House Committee on Labor & Public Employment

The Honorable John M. Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice-Chair
House Committee on Health

State Capitol, Conference Room 329
415 South Beretania Street
Honolulu, Hawaii 96813

Re: S.B. No. 417 SD2 Relating to Health

Dear Chairs Johanson and Mizuno, Vice-Chairs Eli and Kobayashi and Members:

The Honolulu Emergency Services Department is in support of S.B. No. 417 SD2 and appreciates the opportunity to provide comments regarding this proposed legislation.

The Department, via its EMS Division, is the state contracted provider for EMS services for Oahu. Demand for EMS services continues to increase annually and is projected to continue to increase annually for the next decade due to Oahu's population demographics.

If the intent of S.B. No. 417 SD2 is to provide the financial foundation to establish alternate methods of providing EMS services; i.e. the right care delivered to the right patient by the right provider at the right time and right location, thus reducing the demand on the current advanced life support EMS system, this measure would be of significant benefit to the citizens of and visitors to Oahu.

Projected 2018 statewide data (through September 30, 2018) reveals the substantial commitment of EMS resources utilized in the delivery of medical services to individuals that refuse transport to a hospital for additional medical services via EMS. Statewide, this was a total of 21,652 patients which represents 13.6% of all predicted

The Honorable Aaron Ling Johanson, Chair
The Honorable Stacelynn K.M. Eli, Vice-Chair
The Honorable John M. Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice-Chair
March 13, 2019
Page 2

calls in 2018. There has been a consistent increase in the proportion of patients treated since 2015.

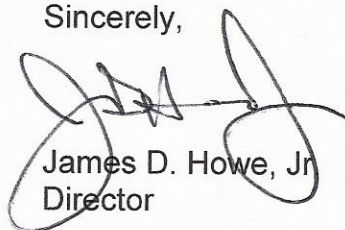
There are two impacts to the EMS system due to this situation.

The first impact, which S.B. No. 417 SD2 addresses, is the loss of revenue to the EMS system for calls in which individuals receive medical treatment but refuse transport to an emergency facility. These calls and subsequent provisions of medical care are essentially free to callers. The delivery of free medical care, on demand, by EMS providers has contributed to the financial challenges of providing additional EMS units to meet the growing demand for these services which is experienced year after year.

The second impact this situation has on the EMS system is the strain which it places on EMS capacity. S.B. No. 417 SD2 is a significant step toward addressing the need for additional EMS capacity in the City and County of Honolulu. Furthermore, if the additional revenue generated from treated non-transported cases is designated back to the Department of Health's Statewide EMS program, this additional funding will assist in the system's ability to meet the projected increase in capacity requirements over the next 10 years.

Thank you for the opportunity to testify on this important measure and your continued support for the pre-hospital medical needs of our community.

Sincerely,



James D. Howe, Jr.
Director



To: The Honorable John M. Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair

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

Date: March 13, 2019

Hrg: House Committee on Health Hearing; Thursday, March 14, 2019 at 8:30 a.m. in Room 329

Re: Support S.B. 417, S.D.2, Relating to Health

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.

We appreciate the opportunity to provide testimony in support of 417, S.D.2, Relating to Health. This measure would allow for coverage of ambulance services in situations where an ambulance has been dispatched and medical services have been rendered, but a patient is not transported to a hospital. Queen's provides the majority of medical care to our homeless population in Hawai'i. An upwards of 64% of all hospital visits by the homeless are at Queen's, where care is delivered at partial or no reimbursement.

There is a high utilization of Emergency Department (ED) resources by homeless individuals for non-emergent needs. Many of our homeless patients are Super Utilizers of the ED and suffer from mental health and substance abuse issues. Queen's believes that increasing coordinated care services for our homeless patients and utilizing community paramedicine to deliver non-emergent care will help address some of the issues that our homeless patients face because of their unique circumstances.

The costs to the entire continuum of care—from hospitals to long-term care facilities to home-based services—of treating the homeless population are large and growing. There are still unmet needs for our homeless patients and while Queen's has been a leader in care coordination, we know that much more needs to be done within the community to close the gaps in services and supports for our homeless population. Thank you for the opportunity to testify on this measure.

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.

Testimony of
John M. Kirimitsu
Legal and Government Relations Consultant

LATE

Before:
House Committee on Labor & Public Employment
The Honorable Aaron Ling Johanson, Chair
The Honorable Stacelynn K.M. Eli, Vice Chair
and
House Committee on Health
The Honorable John M. Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair

March 14, 2019
8:30 am
Conference Room 329

SB 417 SD2 Relating to Health

Chairs, Vice Chairs, 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.

LATE

The Honorable Rosalyn Baker, Chair
Committee on Commerce, Consumer Protection, and Health
The Senate
State Capitol, Room 230
Honolulu, Hawai'i 96813

The Honorable Russell E. Ruderman, Chair
Committee on Human Services
The Senate
State Capitol, Room 216
Honolulu, Hawai'i 96813

Dillon Tacdol
Graduate Student
Re: Support for S.B 417, Relating to Health

The purpose of this bill is to require insurance and Medicaid coverage of ambulance services. It will also appropriate money for Medicaid to cover community paramedicine services provided by emergency medical technicians or paramedics.

Senate Bill 417 can potentially mark the establishment of a community paramedicine program in the state of Hawai'i. Community paramedicine is a relatively new and evolving healthcare model that will enable emergency medical technicians and paramedics to provide effective and manageable service to rural and underserved populations. It may also potentially decrease inappropriate emergency department use and hospitalizations in non-emergency situations. EMS services provide rapid response and advanced treatment; however are only reimbursed if the patient ends up being transported to the emergency room. This bill has the potential to limit this burden placed on emergency medical technicians and paramedics. Thank you for your time and consideration.

Sincerely,

Dillon Tacdol

