

HB-1284-HD-1

Submitted on: 2/15/2021 11:46:58 AM

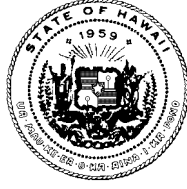
Testimony for JHA on 2/16/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Judy Mohr Peterson	DHS Med-QUEST	Support	No

Comments:

I will be testifying on behalf of the Department of Human Services in support of this measure. Written testimony has been submitted separately by DHS.

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

February 15, 2021

TO: The Honorable Representative Mark M. Nakashima, Chair
House Committee on Judiciary & Hawaiian Affairs

FROM: Cathy Betts, Director

SUBJECT: **HB 1248 HD1– RELATING TO THE DEPARTMENT OF HUMAN SERVICES.**

Hearing: Tuesday, February 16, 2021, 2:00 p.m.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this measure and appreciates the amendments of the Committee on Health, Human Services, and Homelessness. DHS is aware of various proposals that may impact the State Health Planning and Development Agency (SHPDA). DHS Health Analytics Program relies upon statutory provisions within SHPDA's statutory framework. DHS appreciates the forethought of the HD1 as a vehicle to maintain DHS ability to continue the important work of the DHS Health Analytics Program and the State's All Payors Claim Data Warehouse.

PURPOSE: The purpose of the bill requires health insurance providers that provide health benefits plans funded by the Hawaii employer-union health benefits trust fund (EUTF) or the state Medicaid agency and providers that provide Medicare advantage (Medicare part C) health benefits plans to provide administrative data to the health analytics program in the department of human services. Requires the health analytics program to develop an annual plan for the analysis, maintenance, and publication of collected all-claims, all-payer data. Effective 7/1/2060. (HD1)

Given the significant impacts of the COVID-19 pandemic on the State's general revenue, DHS appreciates the efforts to reduce costs and make State government more efficient. However, there are program and statutory dependencies between executive branch agencies that proposed changes in one department may render a program in another department without requisite authority to continue its work. The uncertainty created with a number of proposals that may impact SHPDA, may remove the statutory authority needed by the DHS Med-QUEST's (MQD) Health Analytics Program to continue its work to operate the State's All Payer Claims Data (APCD) Warehouse. DHS is concerned that if SHPDA is significantly altered, then the State may lose its authority to collect claims data and operate the APCD.

This measure provides DHS MQD with the necessary statutory authority to continue the work of its Health Analytics Program to develop and maintain the State's APCD. Currently, MQD's Health Analytics Program is authorized as a designee of SHPDA to maintain the State's APCD by Chapter 323D, Hawaii Revised Statutes (HRS). This measure adds a new section to DHS' Chapter 346, Part XX, Health Analytics Program, that is nearly the same as section 323D-18.5, HRS, which is the current SHPDA authority to operate the APCD.

Currently, SHPDA designates all functions of the APCD to the University of Hawaii and DHS MQD's Health Analytics Program. SHPDA does not provide any staffing or funding for the APCD. DHS MQD's Health Analytics Program funds the APCD and provides state oversight and management. The University of Hawaii is contracted by DHS to maintain the APCD. Adding programmatic authority within DHS MQD's Health Analytics Program will align the authority within the agency that funds the APCD.

As background, Hawaii's APCD is a database is authorized to collect health care claims data from EUTF, MQD, and Medicare, to facilitate greater transparency and understanding of the State's healthcare costs, improve healthcare system quality, population health outcomes, and healthcare disparities. The APCD will help MQD and others evaluate health trends in the state, including the costs of healthcare, quality of care, and price transparency.

In 2018, Act 55, Session Laws of Hawaii (SLH) 2018, established the Health Analytics Program in the Med-QUEST Division (MQD) and authorized DHS to maintain an all-payers claims

data warehouse (APCD). Act 55, SLH 2018, was the result of a multi-agency, multi-year collaborative effort to analyze our collective health care claims data, and to effect change arising from unsustainable health care costs. The collaborative efforts were the next steps to implement Act 139, SLH 2016, that authorized insurers contracted to provide health insurance benefits financed by the State, to submit administrative data, primarily health care claims for beneficiaries.

Significantly, as the State's Medicaid agency, MQD is positioned to enhance the State's analytic and technologic capabilities as it is able to leverage federal Medicaid matching funds, as community based analytics will lead to improvement of the State's Medicaid program. The APCD and resultant analyses will assist MQD to meet critical Medicaid-specific operational and policy goals. For example, recent regulations require comparative analyses of provider networks and the provision of care to a community standard. Given the size and complexity of the Medicaid program, the ability to analyze the data that we already collect and compare it to the larger community will be essential to be able to work across payers and providers to transform the health care delivery system.

A steering committee comprised of multiple agencies who are strongly invested in the APCD provide oversight and direction for the operations and analytics of the APCD. These agencies include the Department of Health, Department of Commerce and Consumer Affairs Insurance Division, Department of Budget and Finance, Office of Enterprise Technology Services, Department of Human Services Med-QUEST Division, the University of Hawaii, and EUTF. The steering committee will continue to oversee the functions of the APCD.

Thank you for the opportunity to provide comments in support of this measure.

Charley Ice
98-633 Kilinoe Street, 'Aiea, Puuloa

Tuesday, February 16, 2021, 2:00 pm

House Committee on Judiciary and Hawaiian Affairs

HOUSE BILL 1284 HD1 – RELATING TO THE DEPARTMENT OF HUMAN SERVICES: Requires Health Insurance Providers to Provide Administrative Data

Position: Strong Support

Me ke Aloha, Chair Mark Nakashima, Vice-Chair Scott Matayoshi, and Members of the Committee on Judiciary and Hawaiian Affairs:

I sincerely appreciate the efforts of Representative Ryan Yamane's committee to appropriately meet the challenge presented by this bill's original form by making very positive amendments. Health care in Hawaii is slowly being strangled by insurance companies and their enablers, through excessive administrative requirements that are driving the denial of care and discouraging doctors from practicing, leading to a growing shortage of approximately 1,000 doctors by current count.

Tax payers deserve to know why we are losing the battle for adequate health care on our dollar, when other states have shifted away from Hawaii's compulsion to serve insurance company needs over our own health care. Other states have shifted to self insurance, assigning administrative service only (ASO) contracts to lean companies and consistently accomplishing multiple objectives in the process:

- 1) Reducing the amount of administrative overhead to a small fraction of the former amount and saving considerable expense;
- 2) Keeping healthcare costs and patient premiums steady rather than continuing to rise under the bloat of insurance administration;
- 3) Promoting the return of doctors, steadily reducing the shortages inevitable with capitation insurance practices;
- 4) Promoting better access to health care by patients at an early treatable stage;
- 5) Saving hospital costs borne by taxpayers a second time around, thanks to improved early treatment.

Insurance companies are well schooled in obfuscation of health analytics, combining administrative costs and profits into "health care" by erroneous definition, and it has become next to impossible for responsible citizens to be properly represented by our Department of Human Services in determining what the medical loss ratio (MLR) truly is.

The Health Committee of the Democratic Party has been working for several years to analyze data across the country, enlisting the aid of health and legal professionals in dissecting improper use of taxpayer dollars, unnecessarily subsidizing large corporations. Most states across the nation have discovered rather startling positive results from undertaking a thorough and accurate analysis of health analytics, as we are confident the Department of Human Services will show.

As a concerned active citizen concerned about both adequate health care and improper spending of taxpayer dollars, I strongly urge your support of HB 1284 HD1.

/s/ Charley Ice, Member, Health Committee, Democratic Party of Hawaii



Environmental Caucus of The Democratic Party of Hawai'i

February 16, 2021

To: Senate Committee on Judiciary & Hawaiian Affairs
Senator Mark M. Nakashima, Chair
Senator Scot Z. Matayoshi, Vice Chair, and
Members of the Committee on Judiciary & Hawaiian Affairs

Re: HB 1284 – RELATING TO DEPARTMENT OF HUMAN SERVICES

Meeting: Tuesday, February 16, 2021, 2:00 p.m., Room 325 via videoconference

Position: **STRONG SUPPORT**

Aloha, Chair Nakashima, Vice Chair Matayoshi, and Members of the Committee on Judiciary & Hawaiian Affairs:

The Health Committee of the Democratic Party of Hawai'i is in strong SUPPORT of HB 1284, which requires health insurance providers that provide health benefits plans funded by the Hawaii employer-union health benefits trust fund or the state medicaid agency and providers that provide medicare advantage (medicare part C) health benefits plans to provide administrative data to the health analytics program in the department of human services. Requires the health analytics program to develop an annual plan for the analysis, maintenance, and publication of collected all-claims, all-payer data.

HB 1284 provides that “Administrative data” means:

- (1) Statistical and financial reports of information;
- (2) Patient invoices or similar patient encounter data;
- (3) Records of services used for or resulting from administering delivery of health care, pharmacy benefits, or dental care, including records of services provided under health benefits plans as defined in section 87A-1; and 17
- (4) Any other records as established pursuant to rules adopted pursuant to chapter 91.

In addition to the above required administrative data subject to disclosure, the Health Committee recommends that the following data also be collected in the public interest:

1. Collect data regarding capitated payment rates and conduct a comparison of the likely would cost without Managed-Care Organizations (“MCO”);
2. Collect data regarding Medical Loss Ratios (“MLR”), including administrative costs of capitated subcontractors;
3. Collect data regarding provider rates, compared to rates of other payors;
4. Collect data regarding rates of denial of requested services;

5. Collect data regarding expenditures by other state agencies on services provided to individuals enrolled in MCOs already fully responsible for their care;
6. Require the State Medicaid agency to conduct independent secret shopper surveys regarding providers;
7. Collect information on individuals harmed by MCO access barriers; and
8. For dual payors, e.g., State and Federal payors, demand evidence that the MCOs are really effectively coordinating between the two funding streams.

This information will be useful when evaluating the perform of these MCOs. Many of employees are stable and have lived in their home for decades. The Democratic Party of Hawai'i (Party) has adopted at its 2018 State Convention, clear healthcare safeguards to protect our community. At page 11 of the Party Platform, it specifically provides,

"HEALTHCARE

We believe that healthcare is a right, not a privilege, and our healthcare system must put people before profits. The high costs of insurance and insufficient coverage mean that many people do not have access to the care they need, which creates devastating social costs that are also a significant economic burden to the State.

Therefore, we support robust funding of the Hawai'i Health Authority (HHA) . . . to design a statewide, unified, cost-effective healthcare system that includes comprehensive healthcare services for all, and then submit that design to the legislature for evaluation.

Such a universal, comprehensive healthcare system would:

- (1) Unify the delivery of healthcare in Hawai'i by establishing a single network, benefit structure, reimbursement system, drug formulary, and prior authorization policies; (All state-regulated payers would be required to pay into this unified system, including Medicaid, Medicare Advantage, and health insurance provided by the state and counties, and commercial health insurance plans funded by employers and individuals.);
- (2) provide parity of mental and physical health coverage;
- (3) provide cost-effective regulation of comprehensive health care delivery systems with an administrative overhead of less than 3%;
- (4) include and protect all women's healthcare needs including reproductive rights and the healthcare needs of the LGBTQIA community;
- (5) provide preventative health programs;
- (6) provide long-term care, dental, and vision care; and
- (7) provide healthcare to Compact of Free Association (Federated States of Micronesia, the Marshall Islands, and Palau) (COFA)) citizens and other non-citizens lawfully residing in Hawai'i on an equal basis with US citizens and permanent residents.

We urge Hawai'i's Medicaid Program to join an existing multi-state prescription drug discount purchasing group as Medicaid, and then, via the HHA's . . . ability to create a unified statewide system, enable delivery of that discount to all state residents.

On the Federal level, we support a universal single-payer healthcare system similar to or better than HR 676, Expanded and Improved Medicare For All, wherein all individuals residing in the United States and U.S. territories are provided with comprehensive healthcare service."

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We strongly urge you to PASS HB 1284 as it requires health insurance providers that provide health benefits plans funded by the Hawaii employer-union health benefits trust fund or the state medicaid agency and providers that provide medicare advantage (medicare part C) health benefits plans to provide administrative data to the health analytics program in the department of human services. Requires the health analytics program to develop an annual plan for the analysis, maintenance, and publication of collected all-claims, all-payer data, all of which are in the best interest of the public as it lends to transparency in government and it is

consistent with the Democratic Party Platform, *supra*.

Thank you very much for the opportunity to testify on this key issue.

Respectfully yours,

Alan B. Burdick and
Melodie R. Aduja
Co-Chairs, Environmental Caucus
Co-Chairs, Human Environmental Impacts Committee
Democratic Party of Hawai`i
Email: burdick808@gmail.com and
legislativepriorities@gmail.com

HB-1284-HD-1

Submitted on: 2/16/2021 8:42:33 AM

Testimony for JHA on 2/16/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Daria Fand	Individual	Support	No

Comments:

HOUSE BILL 1284 HD1 – RELATING TO THE DEPARTMENT OF HUMAN SERVICES: Requires Health Insurance Providers to Provide Administrative Data

Hearing: Tuesday, February 16, 2021, 2:00 PM, Videoconference

POSITION: STRONG SUPPORT

Submitted by: Daria A. Fand, Legislative Public Health Advocate and Concerned Citizen

Aloha, Honorable Representative, Mark M. Nakashima, Chair; Honorable Scot. Z. Matayoshi, Vice Chair; and Members of the House Committee on Judiciary and Hawaiian Affairs:

I am a Medicaid beneficiary as well as healthcare and consumer protections advocate. Wearing both of these "hats", I strongly favor and support HD1 of this measure, which largely improves upon its original version. The current amendments in HD1 wisely have shifted emphasis from a reorganization of DHS services to much more central and substantive reforms that must be implemented to advance healthcare in Hawai'i. While there is much that DHS might assume to streamline their policies and models, **what Hawai'i really needs most is accountability from the industry that provides healthcare management to its beneficiaries.**

The current draft of HB1284 proposes to create a level of transparency currently dreadfully missing within the insurance provider industry, a self-serving rather than patient/doctor serving-sector. Currently, insurance providers operate within a bureaucratically insular environment that continues to bury the hundreds-of-millions-of-dollars burden of administrative waste, which imposes unnecessary and deleterious procedural requirements upon doctors and eliminates access for many patients, especially those most at risk. At the peril of losing doctors to a system that does not allow them to practice medicine as they were trained to, with patient care sacrificed on the altar of cost-containment which only serves said insurance corporate interests, and with the State hemorrhaging funds to cater to this entire collapsing, unsustainable structure at the expense of taxpayers, it is essential that health analytics mandate such

information as spelled out in this measure, and that administrative reporting and auditing cast "sunshine" upon the data that is currently shrouded in darkness.

It is a travesty that the Aloha State is trailing a national trend -- including such conservative, red states as Oklahoma! -- away from the confines of insurance Managed Care monopolies, and increasingly turning towards Administrative Services Only (ASO) state-brokered agencies which free up desperately needed state funds for the streamlined delivery of actual medical care.

HB1284 HD1 is one step in that direction, and our keeping pace with the rest of the nation. Please pass this measure -- Hawai'i's citizenry deserves no less.

Mahalo for considering my testimony.

Daria A. Fand,

Member, Health Committee, Democratic Party of Hawaii

HB-1284-HD-1

Submitted on: 2/16/2021 10:36:42 AM

Testimony for JHA on 2/16/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Marion Poirier	Individual	Support	No

Comments:

Testimony Submittal for HB 1284, HD1

From: Marion Poirier, M.A. R.N.,

Member of Democratic Party of Hawaii Health Committee

To: JHA 2pm Hearing-2/16/21

Position: SUPPORT

CHAIR NAKASHIMA, VICE CHAIR MATAYOSHI, and MEMBERS:

My name is Marion Poirier, and I SUPPORT this measure. Particularly, I support HD 1.

Thank you very much.