



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
P. O. Box 3378  
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doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of HB517  
RELATING TO HEALTH DATA SHARING.**

REP. DELLA BELATTI, CHAIR  
HOUSE COMMITTEE ON HEALTH & HOMELESSNESS

Hearing Date: February 1, 2023

Room Number: 329

1 **Fiscal Implications:** N/A.

2 **Department Testimony:** The Department of Health (DOH) supports this measure to update  
3 community standards and practices for the sharing of health care data. The emphasis on data  
4 related to social determinants of health and underserved populations, including housing  
5 instability, elevates the purpose and utility of health care data sharing beyond real-time clinical  
6 transactions to inform public policy and statewide strategic health planning.

7 Although Hawaii has made progress with data sharing in the past with various private sector  
8 initiatives, as well as funding from the Health Information Technology for Economic and Clinical  
9 Health (HITECH) Act of 2009 that accelerated adoption of interoperability to achieve  
10 Meaningful Use of health data, the technology, reimbursement, patient and provider  
11 expectations, and policy landscape has changed in the intervening 14 years, including a global  
12 pandemic. It is therefore appropriate to assess and refine the state of health care data sharing to  
13 assure access, quality, and affordability.

14 **Offered Amendments:** N/A.

15

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



BONNIE KAHAKUI  
ACTING ADMINISTRATOR

**STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I**  
**STATE PROCUREMENT OFFICE**

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TESTIMONY  
OF  
BONNIE KAHAKUI, ACTING ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE  
ON  
HEALTH & HOMELESSNESS  
FEBRUARY 1, 2023, 8:30 AM

HOUSE BILL 517  
RELATING TO HEALTH DATA SHARING

Chair Belatti, Vice Chair Takenouchi, and members of the committee, thank you for the opportunity to submit testimony on House Bill 517. The State Procurement Office (SPO) opposes the Chapter 103D, Hawaii Revised Statutes (HRS), exemption language in SECTION 4, page 12, lines 8-21, and page 13, lines 1-3 set forth below.

“(j) For purposes of implementing this Act, including but not limited to hiring staff and consultants, facilitating, and conducting meetings, conducting research and analysis, and developing the required reports, the stakeholder advisory group and department of health may enter into exclusive or nonexclusive contracts on a bid or negotiated basis. Any contract executed pursuant to this Act shall be exempt from chapter 103D, Hawaii Revised Statutes; provided that the stakeholder advisory group shall ensure transparency when executing the contract.

All actions to implement the Hawaii health data exchange framework, including the adoption or development of any data sharing agreement, requirements, policies and procedures, guidelines, subgrantee contract provisions, or reporting requirements, shall be exempt from chapter 103D, Hawaii Revised Statutes; provided that the stakeholder advisory group shall ensure transparency.”

The SPO objects to the procurement exemption and testifies that services for this project should be competitively procured.

Chapter 103D, HRS, Hawaii Public Procurement Code (Code), is the State's single source of public procurement policy to be applied equally and uniformly, while providing fairness, open

competition, a level playing field, government disclosure, and transparency in the procurement and contracting process vital to good government.

Public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion, or fraud in awarding of contracts. To legislate that any one entity should be exempt from compliance with both Chapter 103D and 103F, HRS, conveys a sense of disproportionate equality in the law's application.

Exemptions to the Code mean that all procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those procurements processes provided in the code. It means that there is no requirement for due diligence, proper planning, or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost savings efficiencies found in the consistent application of the procurement code are lost. It also means Agencies are not required to adhere to the code's procurement integrity laws.

The National Association of State Procurement Officials states that "Businesses suffer when there is inconsistency in procurement laws and regulations. Complex, arcane procurement rules of numerous jurisdictions discourage competition by raising the costs to businesses to understand and comply with these different rules. Higher costs are recovered through the prices offered by a smaller pool of competitors, resulting in unnecessarily inflated costs to state and local governments."

When public bodies are removed from the Hawaii Public Procurement Code, it results in the harm described above. As these entities create their own procurement rules, businesses are forced to track their various practices. Moreover, a public body often can no longer achieve the benefits of aggregation by using another public body's contract because different state laws and regulations may apply to the various public bodies making compliance more difficult.

Each year new procurement laws are applied to state agencies causing state agency contracts to become more complex and costly, while other public bodies, such as agencies with strong legislative influence, are exempted. Relieving some public bodies from some laws by exempting or excluding them from compliance with a common set of legal requirements creates an imbalance wherein the competitive environment becomes different among the various jurisdictions and the entire procurement process becomes less efficient and costlier for the state and vendors.

Thank you.

**Mitchell D. Roth**  
*Mayor*



**Lee E. Lord**  
*Managing Director*

**Robert H. Command**  
*Deputy Managing Director*

**County of Hawai'i**  
**Office of the Mayor**

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**TESTIMONY IN SUPPORT OF HOUSE BILL 517**  
**A BILL FOR AN ACT RELATING TO HAWAII HEALTH DATA EXCHANGE**

**COMMITTEE ON HEALTH AND HOMELESSNESS**

**Chair, Rep. Della Au Belatti**  
**Vice-Chair, Rep. Jenna Takenouchi**

**Hearing Date: Wednesday, February 1, 2023, at 8:30 a.m.**  
**Time/Place of Hearing: Via Video Conference / Conference Room 329**

Aloha Honorable Chair Belatti, Honorable Vice Chair Takenouchi, and members of the Committee on Health and Homelessness:

The County of Hawai'i is grateful for the opportunity to express our support for HB 517, a proposal for establishing the Hawai'i Health Data Exchange through the framework via Department of Health, requiring certain health organizations to execute an agreement by 9/1/2024 and appropriating funds. As the community recovers from the COVID-19 pandemic, we continue to see health disparities and their underlying social factors among our residents. The County is in support of catalytic actions that address long-lasting impact on individual and community well-being.

We strongly believe that health information exchange can improve health care quality, make health care more efficient, streamline administrative tasks, engage more patients, and support community health through care coordination. The outcomes from this proactive public health and preventative care approach also offer cost reduction in overall care.

We are pleased to see that the proposal will convene a stakeholder advisory group which consists of key individuals and organizations from Hawaii's health care system to identify gaps, issues, and solutions in the life cycle of health information and key health information to be shared. Today, we recognize numerous factors, often known as social determinants of health that heavily impact individual health outcomes. Identifying and finding ways to incorporate data on the social determinants of health is crucial to provide effective care and support to underserved communities impacted by various factors such as housing condition, food insecurity, income, education level, gender identity, sexual orientation, race, and ethnicity, etc.

We must collectively address the spectrum of health care issues that affect the health and future of Hawaii's residents and find innovative and creative solutions. We believe that HB 517 will provide the collaborative platform for patients, health care community, and federal, state, and local governments to work together to advance health information exchange.

The County of Hawai'i supports the passage of HB 517. Thank you for the opportunity to testify on this matter.

Mahalo,

A handwritten signature in black ink, appearing to read "Mitchell D. Roth". The signature is written in a cursive style with a large, sweeping initial "M".

Mitchell D. Roth  
Mayor  
County of Hawai'i



**February 1, 2023 at 8:30 am**  
**Conference Room 329**

**House Committee on Health and Homelessness**

To: Chair Della Au Belatti  
Vice Chair Jenna Takenouchi

From: Paige Heckathorn Choy  
Associate Vice President, Government Affairs  
Healthcare Association of Hawaii

Re: **Comments**  
**HB 517, Relating to Health Data Sharing**

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 healthcare 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 more than 30,000 people statewide.

Thank you for the opportunity to provide **comments with concerns** on this measure, which seeks to create a requirement for the Department of Health to establish a Hawaii Health Data Exchange Framework prior to or on September 1, 2024. The framework would apply to several provider types, including hospitals, nursing homes, and physician organizations, along with health insurance plans. We understand that this framework would not create or authorize a new technology system, nor become a repository of data—rather, the measure would create a requirement for a state-wide, single data-sharing agreement and policies to share health information in real-time.

The intent of this measure is important, and HAH and its members are interested in maximizing the potential benefits that data-sharing and interoperability can offer. However, we feel that this measure may inadvertently preclude important discussions about how this state can best organize its data-sharing system, especially as providers seek to comply with federal requirements already in place and developing at a rapid pace.

Our members agree with the principles and goals laid out by this legislation. Providers, insurers, and government agencies have worked for several years to expand the capabilities of health systems to share real-time patient information to improve outcomes and reduce costs. This work has been most evident at larger institutions like hospitals, which were provided with financial resources and incentives through various Medicare programs and payments to expand their interoperability and data-sharing capabilities. As a result, hospitals in Hawaii are generally able to share real-time information with each other, with insurers, and with community partners such as the Hawaii Health

Information Exchange (HHIE), which serves as a statewide service that currently does provide the type of real-time data exchange that this bill seeks to promote.

One of the major benefits that the HHIE currently provides is allowing community-based, independent practitioners to access information needed to best manage their patients. However, we understand that the costs of purchasing and maintaining software, devoting staff time to data entry, and participating in the exchange is prohibitive for many providers. This is true for independent or small physician practices, as well as for many post-acute care providers such as skilled nursing homes, home health agencies, and hospice agencies. There is a need to provide financial assistance and incentives to community-based and post-acute care providers to enable the purchase of needed software and the hiring of dedicated staff to engage in this real-time data exchange.

Achieving true interoperability and data-sharing is a difficult task. We concur that there are many areas where improvements can be made, and where difficult barriers must be overcome in order to bring the full potential of data-sharing between providers, patients, and community organizations to bear. We are, however, concerned that this bill will not ultimately achieve the goal of true interoperability. Instead, it would enshrine in statute data-sharing requirements for many providers that have few financial resources, creating an unfunded mandate that will further stress the healthcare industry.

It is important to note, also, that there are emerging federal requirements on data-sharing that have not been finalized. In 2016, Congress passed the 21st Century Cures Act, which mandated the development of a trusted exchange framework and common agreement, similar to what this bill seeks to recreate at the state level. On January 18, 2022, the U.S. Department of Health and Human Services' Office of the National Coordinator (ONC) announced the publication of the Trusted Exchange Framework and the Common Agreement (TEFCA), which sets out important standards for health information sharing.<sup>1</sup> The agreement also enables entities to apply for and be designated as Qualified Health Information Networks (QHINs), which seek to connect participants across the entire country in exchanging health information. Our understanding is that agencies like the Hawaii Department of Health could apply to serve as one of these QHINs and receive support and guidance that meet national best practices.

We would support the creation of a task force to define and refine what data-sharing and interoperability can look like in the state, how it can be achieved and funded, and make sure that it does not conflict with federal requirements. Thank you for the opportunity to comment on this important measure.

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<sup>1</sup> <https://www.hhs.gov/about/news/2022/01/18/onc-completes-critical-21st-century-cures-act-requirement-publishes-trusted-exchange-framework-common-agreement-health-information-networks.html>



**HAWAII MEDICAL ASSOCIATION**

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**HOUSE COMMITTEE ON HEALTH & HOMELESSNESS**

Representative Della Au Belatti, Chair

Representative Jenna Takenouchi, Vice Chair

Date: February 1, 2023

From: Hawaii Medical Association

Beth England MD, Co-Chair, HMA Public Policy Committee

**Re: HB 517 Health Data Sharing**

**Position: Support**

This measure will (1) Establish a Hawaii health data exchange framework that will accelerate and expand the exchange of health information among health care entities and government agencies in Hawaii; and (2) Establish a stakeholder advisory group to assist the department of health with developing the Hawaii health data exchange framework.

The rapid exponential growth of healthcare information technology requires careful evidence-based policies for the secure sharing of data among providers, payers and government. The analyses and application of national standards for information exchange and data content is necessary to ensure alignment of Hawaii state and federal data requirements, including the federal Health Insurance Portability and Accountability Act (HIPPA) of 1996. Prioritization of data solutions that improve healthcare access for our patients, particularly in our rural and underserved communities, is greatly needed. HMA strongly supports the formation of the stakeholder advisory group that may provide collaborative commentary for development of the Hawaii health data exchange framework data sharing agreement. This will allow for advancement of coordinated care delivery while reducing administrative burdens.

Thank you for allowing the Hawaii Medical Association to testify in support of this measure.

References and Quick Links:

ONC Completes Critical 21st Century Cures Act Requirement, Publishes the Trusted Exchange Framework and the Common Agreement for Health Information Networks. [HealthIT.gov. Jan 18 2022.](#)

ONC Final Rule AMA Summary. [2020 American Medical Association.](#)

**HMA OFFICERS**

President – Angela Pratt, MD President-Elect – Elizabeth Ann Ignacio, MD  
Immediate Past President – Michael Champion, MD Treasurer – Nadine Tenn Salle, MD  
Secretary – Thomas Kosasa, MD Executive Director – Marc Alexander





February 1, 2023

The Honorable Della Au Belatti, Chair  
The Honorable Jenna Takenouchi, Vice Chair  
House Committee on Health

**House Bill 517 – Relating to Health Data Sharing**

Dear Chair Belatti, Vice Chair Takenouchi, and Members of the Committee:

The Hawaii Association of Health Plans (HAHP) appreciates the opportunity to provide comments and supports the intent of HB 517. HAHP is a statewide partnership of Hawaii’s health plans and affiliated organizations to improve the health of Hawaii’s communities together. The vast majority of Hawaii residents receive their health coverage through a health plan associated with one of our organizations.

Currently in our state, health data is shared but its sharing is inconsistent and differs across the sector. HAHP encourages the safe, secure sharing of health data for compliance with federal standards and broader health data sharing that improves outcomes.

Bringing together necessary stakeholders is critical and **we respectfully request the inclusion of a representative from The Hawaii Association of Health Plans on the advisory group.**

HAHP supports the intent of this bill and appreciates the opportunity to provide our comments on HB 517. HAHP will follow closely comments and suggestions from health care providers and other health care organizations on the future of health data sharing.

Sincerely,

HAHP Public Policy Committee

cc: HAHP Board Members

[hahp.org](http://hahp.org) | 818 Keeaumoku St., Honolulu, HI 96814 | [info@hahp.org](mailto:info@hahp.org)

AlohaCare | HMAA | HMSA | Humana | HWMG | Kaiser Permanente | MDX Hawaii | Ohana Health Plan | UHA Health Insurance | UnitedHealthcare

**Testimony of Hawaii Health Information Exchange  
Comments for H.B. 517-Relating to Health Data Sharing  
House Committee on Health and Homelessness  
Wednesday, February 1, 2023, at 8:30 a.m. via Videoconference**

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Dear Chair Belatti, Vice Chair Takenouchi, and Committee members:

Thank you for the opportunity to submit **COMMENTS** for H.B. 517, Relating to Health Data Sharing, which would establish a health data exchange framework to expand health information exchange among health care entities and government agencies and establish a stakeholder advisory group to assist the Department of Health with developing the health data exchange framework.

Hawaii Health Information Exchange (HHIE) does not believe that the State needs legislation to reinvent a health data exchange framework, given that HHIE has been in existence for over 16 years, and has successfully enabled data sharing in the State. HHIE supports broad participation in data exchange by all providers. Creating this data exchange framework took many years of arduous community effort and growing pains, and tens of millions of dollars of investment from private and public partners.

HHIE was founded in 2006 by Hawaii's major healthcare entities, including hospitals, health systems, and health plans, to serve as Hawaii's neutral, trusted entity to aggregate and securely exchange patient-level health and medical records between health plans, health systems, and providers. HHIE's mission and vision support this purpose.<sup>1</sup> **HHIE has been sharing patient-level data with hospitals, providers, and health plans since 2015.**

In 2009, HHIE became the State's Designated Entity to facilitate exchange of health information. In February 2012, the designation was re-affirmed in a Memorandum of Agreement between the Hawai'i HIE and Governor Neil Abercrombie. In 2014, HHIE was recognized and designated as the only functional statewide HIE in Hawai'i through a 2014 Hawai'i Senate Concurrent Resolution No. 36 (2014)/2014 Hawai'i House Concurrent Resolution No. 40 (2014). Under the Concurrent Resolution, it was resolved that HHIE continue to advance health care transformation initiatives, including the electronic exchange of health information as a partner with the Hawaii State Legislature and Administration. In 2015, Governor David Ige affirmed the role of HHIE as key partner in Hawaii's strategies for system-wide health innovation.

HHIE has in place data sharing agreements, a governance framework, and infrastructure compliant with federal standards that connects most major health systems, hospitals, and both major laboratories statewide. Healthcare providers across Hawaii's healthcare spectrum,

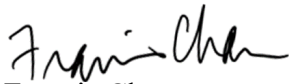
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<sup>1</sup> <https://www.hawaiihie.org/mission>

including independent providers, cancer centers, and Federally Qualified Health Centers, share data and/or access patient records through HHIE to provide the best treatment to their patients. Additionally, HHIE played a pivotal role in the COVID-19 pandemic by transmitting COVID-19 testing results to the Department of Health for their reporting to policymakers at the local and federal level. HHIE's data sources come from Oahu, Hawaii Island, Maui, Lanai, Kauai, and Molokai. Today, we can aggregate and securely exchange data for nearly four million patients who have obtained healthcare services in Hawaii, including residents, visitors, veterans, military personnel, and their dependents. In addition, HHIE monitors about 700,000 patients identified by their providers as "high risk" because of chronic illnesses. HHIE sends real-time electronic alerts and notifications to their care managers to ensure those individuals receive follow-up care and achieve optimal health outcomes, reduce preventable readmissions, and help hospitals save costs. **During an average week, about 3,600 providers and their staff access records for over 24,000 patients. Using HHIE saves lives and betters patient care.**<sup>2</sup>

Because HHIE has made such extensive progress in advancing patient data exchange in our state, HHIE's Board of Directors, comprised of leaders from Hawaii's healthcare and business community, affirmed through a board resolution that HHIE should remain the focal point for health information exchange throughout the state.

Mahalo for allowing HHIE to share its perspectives on H.B. 517.



Francis Chan  
Chief Executive Officer  
Hawai'i Health Information Exchange  
Email: [fchan@hawaiihiie.org](mailto:fchan@hawaiihiie.org)  
808-441-1431

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<sup>2</sup> [Testimonials - Hawaii Health Information Exchange - Healthnet \(hawaiihiie.org\)](#)



## THE QUEEN'S HEALTH SYSTEM

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To: The Honorable Della Au Belatti, Chair  
The Honorable Jenna Takenouchi, Vice Chair  
Members, House Committee on Health & Homelessness

From: Jacce Mikulanec, Director, Government Relations, The Queen's Health System

Date: February 1, 2023

Re: Testimony on HB 517: Relating to Health Data Sharing

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The Queen's Health System (Queen's) is a nonprofit 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, and more than 10,000 affiliated physicians, caregivers, and dedicated medical staff 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.

Queen's appreciates the opportunity to provide comments **with concerns** on HB 517, relating to data sharing. This measure establishes the Hawai'i health data exchange framework and establishes a stakeholder advisory group to assist the Department of Health in the development of the framework. The bill also requires certain health care organizations to execute a health data sharing agreement (DSA) by September 1, 2024. Queen's appreciates the intent of this measure and we support the underlying broader goal for our state - to comply with federal data sharing requirements adopted and promulgated via the 21<sup>st</sup> Century Cures Act (2016).

However, we echo the concerns raised by the Healthcare Association of Hawaii (HAH) and the Hawaii Health Information Exchange (HHIE) regarding challenges faced by smaller and independent practices, skilled nursing facilities, and other home health agencies who lack financial and workforce resources necessary to fully participate in the HHIE and question whether this legislation helps address this. Furthermore, we have concerns that the proposed health data exchange could conflict or, at the very least, duplicate work set forth under the Cures Act (and existing efforts of the HHIE). Under the Cures Act, the Trusted Exchange Framework and Common Agreement (TEFCA) provides the basis for broad data sharing agreements and also provides for a common set of policies and procedures to govern such agreements.

Additionally, it is worth noting that one of the critical barriers to the mission of the HHIE, and the Cures Act, was information blocking; defined within the Act as business, technical, and organizational practices that prevent or materially discourage the access, exchange or use of electronic health information (EHI). For example, this can happen when physicians try accessing patient records from other providers or when providers try migrating from one EHR to another,

*The mission of The Queen's Health System 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.*

etc. In October 2022 the final rule relating to information blocking went into effect and expanded interoperability requirements further to include all physicians, providers, health IT developers of health IT, and health information networks or exchanges.

As a member of HHIE, Queen's does not see the need to duplicate work efforts by establishing a separate advisory group as proposed in this measure; relevant stakeholders are currently working to address the data sharing goals outlined in the measure and can continue to execute on those efforts without establishing such work in statute. HHIE is uniquely positioned to address broader data sharing and interoperability agreements and can continue to act as the primary convener of relevant stakeholders that have a vested interest in meeting the goals of the 21<sup>st</sup> Century Cures Act and addressing outstanding gaps in participation in the HHIE.

Mahalo for allowing us the opportunity to express our concerns with this measure.



February 1, 2023

The Honorable Della Au Belatti, Chair  
The Honorable Jenna Takenouchi, Vice Chair  
House Committee on Health and Homelessness

Re: HB 517 – Relating to Health Data Sharing

Dear Chair Au Belatti, Vice Chair Takenouchi, and Members of the Committee:

Hawai'i Medical Service Association (HMSA) appreciates the opportunity to testify in support of HB517, which will require future health data sharing and establish a stakeholder advisory group to develop a uniform agreement to facilitate the standardized exchange of health information in Hawaii. This is aligned with current federal data sharing trends and standards.

Health equity and access to high quality health care need to improve, especially for underserved Hawaii residents. While health data is currently shared in pockets, we lack standardization across the sector, we lag behind other industries in real-time sharing, and not everyone participates. This lack of participation creates incomplete data sets and large gaps. The ability to share standardized data in real-time is essential to improve outcomes, identify Hawaii's unique social risk factors, and lower administrative, financial, and technical burdens.

By modeling this bill on successful legislation passed in the state of California<sup>1</sup>, we can avoid reinventing the wheel and instead capitalize on the work of hundreds of experts and members of the public who spent the last year shaping a framework built on the following guiding principles:

- Advancing Health Equity
- Making Data Available to Drive Decisions and Outcomes
- Supporting Whole Person Care
- Promoting Individual Data Access
- Reinforcing Individual Data Privacy and Security
- Establishing Clear and Transparent Terms and Conditions for Data Collection, Exchange, and Use
- Adhering to Data Exchange Standards
- Ensuring Accountability

We appreciate that this bill's language is inclusive and not meant to be a government-run data exchange or a single, mandated solution, but rather an approach to convening the relevant parties to develop a mutually beneficial agreement around health data sharing. We also appreciate the

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<sup>1</sup> <https://www.chhs.ca.gov/data-exchange-framework/>



legislature's intent to leave flexibility for the expansion of, and not replace, any existing technology or infrastructure. We also support that the agreement will not mandate HOW the data must be shared, but instead create standardization and uniformity and a foundation for which we can build upon.

We respectfully request the following change and addition:

- 1) Page 6, line 2 to read "the entities listed in subsection ~~(b)~~ (c) shall exchange health information"
- 2) Page 8, line 13 subsection (b) to also include a representative from "Hawaii Association of Health Plans" as a member of the advisory group.

We cannot afford to delay the effort to put in place a real-time, health data sharing framework based on mandated national standards. Further delays will result in continued fragmentation of data sharing in Hawaii's health care ecosystem as each Hawaii health organization pursues its own unique data sharing strategy. Instead, we need to collaboratively come up with work together to improve health outcomes and lower health care costs. Every dollar saved on health care is a dollar that we can put toward Hawaii's housing, education, and infrastructure. We support the legislature's intent to give our state the best chance of accomplishing this by bringing all parties to the table to create a data solution that will work for everyone.

Thank you for the opportunity to testify in support of HB517.

Sincerely,

Jennifer A. Diesman  
Senior Vice President  
Government Policy and Advocacy

Testimony of  
Jonathan Ching  
Government Relations Director

Before:  
House Committee on Health & Homelessness  
The Honorable Della Au Belatti, Chair  
The Honorable Jenna Takenouchi, Vice Chair

February 1, 2023  
8:30 a.m.  
Via Videoconference  
Conference Room 329

**Re: HB 517, Relating to Health Data Sharing**

Chair Belatti, Vice Chair Takenouchi, and committee members, thank you for this opportunity to provide testimony on HB 517, which establishes the Hawai‘i health data exchange framework and requires the deadline to executive a health plan sharing agreement.

**Kaiser Permanente Hawai‘i provides the following COMMENTS on HB 517.**

Kaiser Permanente Hawai‘i is one of the nation’s largest not-for-profit health plans, serving 12.6 million members nationwide, and more than 269,000 members in Hawai‘i. In Hawai‘i, more than 4,200 dedicated employees and more than 650 Hawai‘i Permanente Medical Group physicians and advance practice providers work in our integrated health system to provide our members coordinated care and coverage. Kaiser Permanente Hawai‘i has more than 20+ medical facilities, including our award-winning Moanalua Medical Center. We continue to provide high-quality coordinated care for our members and deliver on our commitment to improve the health of our members and the 1.4 million people living in the communities we serve.

**KP supports the intent of HB 517** to enable deeper interoperability that advances the availability of high-quality, affordable health care services and improves the health of our members and communities.

However, we are concerned that establishing an additional Statewide Health Data Exchange in Hawai‘i is problematic for several reasons. First, we are concerned that it would be redundant and duplicate efforts given that Hawai‘i already has a health information exchange, Hawai‘i Health Information Exchange (HHIE), which is connected to a national exchange and uses federal standards.



We are also concerned that the Statewide Health Data Exchange created by HB 217 could create conflicts with national standards. The federal 21st Century Cures Act Trusted Exchange Framework and Common Agreement (TEFCA), its Standard Operating Policies and Procedures, should serve as the basis for establishing a single Data Sharing Agreement and a Common Set of Policies and Procedures in Hawai‘i. It is imperative that Hawai‘i doesn’t adopt standards that are different than or conflict with these national standards because doing so would impede interoperability both regionally and nationally.

We believe the best way to achieve the goal and intent of HB 217 is to leverage existing frameworks and work currently underway to improve and advance health care information interoperability via the adoption of national HL7 FHIR standards and the TEFCA framework. This approach will ensure consistency across lines of business and reduce administrative burden for plans and providers. It will also ensure that Hawai‘i stays current and keeps up with nationwide advancements in information access and exchange. To promote interoperability and adoption of national standards it is crucial that any state requirements to participate in a statewide data exchange can be fulfilled by participation in a national health exchange that connects to the state exchange.

Mahalo for the opportunity to testify on this important measure.

Wednesday, February 1, 2023  
Conference Room 329

**House Committee on Health & Homelessness**

To: Representative Della Au Belatti, Chair  
Representative Jenna Takenouchi, Vice Chair

From: James Lin, MD  
Vice President, Information Technology

**Re: HB 517 Relating to Data Sharing**

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My name is Dr. James Lin, MD, Vice President Information Technology and Pediatric Hospitalist at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox and over seventy locations statewide with a mission of creating a healthier Hawai'i.

Hawai'i Pacific Health is providing COMMENTS on HB 517 which establishes the Hawai'i health data exchange framework and a stakeholder advisory group to assist the department of health in the development of the framework; requires certain health care organizations to execute a health data sharing agreement by 9/1/2024; and establishes deadlines for certain entities to begin sharing health information.

We are concerned this bill authorizes implementation on work and activities without consideration or awareness of duplication with efforts that the provider community has been engaged and organized under Federal guidance. As written, HB 517 risks creating unnecessary State level standardization that duplicates and could potentially be in conflict or redirect focus around the priorities established under the 21<sup>st</sup> Century Cures Act Final Rule. The CURES Act was enacted in 2016 by Congress and has been in effect since April 5, 2021 to ensure healthcare network to network exchange of health information between parties as contemplated in HB 517.

For example, the next phase of establishing of a trusted exchange framework contemplated in HB 517 has already been finalized by the U.S. Department of Health and Human Services Office of the National Coordinator (ONC) following the enactment of the Federal CURES Act through the establishment of the Trusted Exchange Framework and Common Agreement (TEFCA). TEFCA will serve as an on ramp to connectivity for groups including healthcare provider organizations, public health agencies, individual service providers, Federal agencies (e.g. Social Security Administration), Health plans, and other insurers. TEFCA was published in Q1 of 2022 with ongoing updates and

stakeholder feedback being provided to amend version 1. Since Q2 2022, Qualified Health Information Networks (QHIN) – including the electronic health record vendor Epic used by Hawaii Pacific Health and the majority of healthcare systems in Hawaii – have signed on as signatories in adopting TEFCA as their standard.

The TEFCA standard is a standard that healthcare providers across county are moving towards, which raises concerns regarding the rationale and feasibility of HB 517 given the ongoing participation and response to Federal guidance in this area amongst the provider community. The TEFCA standards also enables entities, such as the Department of Health, to apply for and be designated as Qualified Health Information Network (QHINs) to have access to the data being collected across various electronic healthcare systems both within our State and across the nation.

Second, the stated go-live dates and workplans announced in HB 517's workplans such as a stated go-live date of September 1, 2026 appear arbitrary and unsupported by any stakeholder participation. The efforts stakeholders have made toward being compliant with TEFCA standards are significant and complex. Therefore, the introduction of State led timelines – as stated in HB 517 without an opportunity of understanding the complexities to move such processes forward would seem imprudent without an understanding by stakeholders of the purpose, resources, and compatibility in relation to actual work being done on the ground.

Finally, HPH is concerned that HB 517 could result in the undermining of the Hawaii Health Information Exchange (HHIE) which has existed as the State's designated Data Exchange since 2009. As a Board Member of the Hawaii Health Information Exchange (HHIE), HPH is concerned that HB 517 could undermine and distract the work that has been done by HHIE. For example, we estimate approximately 80% of the efforts envisioned by HB 517 is already being collected – and resourced – by and within the HHIE member network for real time data exchange. Data sharing agreements, policies and procedures, and governance across all types of health care providers in Hawai'i already exist. The main barriers to HHIE participation from the wider community have been financial burden and technology expertise. It is not from lack of desire by the health care community. Requiring data exchange without addressing these barriers will cause an undue burden especially on independent providers or smaller health care entities, exacerbating current health care provider shortages. The technological expertise to deliver what is envisioned in HB 517 will require the marshalling of resources that is also beyond the capabilities of any State Department to manage and will more than likely result in the outsourcing to a 3<sup>rd</sup> party vendor for the State to achieve the same goals aspired by HHIE.

We therefore ask that there be more thought and consideration on the technical and practical considerations in achieving the laudable goals of HB 517 before passage. HPH would welcome further dialogue on this topic and recommends further discussion before passage of this bill.

Thank you for the opportunity to testify.

**HB-517**

Submitted on: 2/1/2023 11:38:58 PM

Testimony for HLT on 2/1/2023 8:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ronald Taniguchi, Pharm.D.	Individual	Comments	Written Testimony Only

Comments:

Pharmacy should be represented on the advisory board as is the case with the HHIE. Mahalo