

STAND. COM. REP. NO.

901

Honolulu, Hawaii

MAR 24 2011

RE: H.B. No. 326
H.D. 1
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 326, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to improve access to the full range of health care services to Medicaid and QUEST members accessing services through a mobile medical van on the Island of Hawaii. The intent of this measure is to ensure that Medicaid and QUEST health plans have the flexibility to provide appropriate health services via technological means such as telehealth.

Your Committee received testimony in support of this measure from Hawaii Medical Service Association, Kona Community Hospital, and Hawaii Association of Health Plans. Your Committee received testimony in opposition to this measure from the Department of Human Services. Your Committee received comments on this measure from the Hawai'i Primary Care Association, Waikiki Health Center, Waianae Coast Comprehensive Health Center, West Hawaii Community Health Center, and one individual.

Your Committee finds that the Island of Hawaii's geography and sparsely distributed population may make access to health care a challenge. Your Committee recognizes that bringing access to medical care via a mobile medical van may help improve the overall health of rural underserved communities.



Your Committee further finds that the Legislature appropriated \$350,000 in 2009 for the purchase of a mobile medical van for medical services on the Island of Hawaii. Kona Community Hospital is in the process of acquiring the medical van. The Hospital has been working with Hawaii Medical Service Association, who has committed to help finance a two-year pilot medical van program.

Your Committee additionally finds that there is a need for a comprehensive transformation of Hawaii's Medicaid system. Your Committee also finds that one way to accomplish this is through a patient-centered health care home. This is a linked approach to providing health care that improves the patient experience, improves health outcomes, and reduces per capita costs.

Your Committee has heard the concerns about removing the Department of Human Services' authority to oversee an emerging technology. Your Committee has also heard the concerns regarding the use of federal funding for services provided by a contracted health plan. However, your Committee believes that any service not approved by the federal Centers for Medicare and Medicaid Services will not be eligible for federal funding. Your Committee also notes that S.B. No. 285, S.D. 2, which was previously heard by and reported from your Committee, incorporates amendments that more appropriately address those concerns.

Your Committee further finds that under the Affordable Care Act, Public Law 111-148, the federal Centers for Medicare and Medicaid Services were directed to formally establish a new Center for Medicare and Medicaid Innovation - the Innovation Center. After considering the testimony received, your Committee believes that the language in S.B. No. 1468, S.D. 1, which was previously heard by and reported from your Committee, appropriately addresses the need to create a Hawaii council to focus on innovation in local Medicaid issues as a complement to the national efforts of the Innovation Center.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and creating a new Part I by inserting the contents of S.B. No. 285, S.D. 2, which provides for telehealth services coverage for Medicaid and QUEST patients using Kona Community Hospital's medical van program;



- (2) Deleting the provision stating that the Department of Human Services is not required to cover patient self-referrals to providers;
- (3) Creating a new Part II by inserting the contents of S.B. No. 1468, S.D. 1, which establishes the Hawaii Patient Centered Health Home pilot program within the Medicaid program and establishes the Hawaii Medicaid Modernization and Innovation Council; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 326, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 326, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

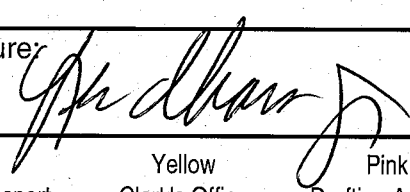
Respectfully submitted on
behalf of the members of the
Committee on Human Services,

Suzanne Chun Oakland
SUZANNE CHUN OAKLAND, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 326, HD1	HMS, WAM	3-22-11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
GREEN, M.D., Josh	✓			
SLOM, Sam				✓
TOTAL	3	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes