

Honolulu, Hawaii

FEB 18 2016

RE: S.B. No. 2395
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committees on Commerce, Consumer Protection, and Health and Human Services, to which was referred S.B. No. 2395 entitled:

"A BILL FOR AN ACT RELATING TO TELEHEALTH,"

beg leave to report as follows:

The purpose and intent of this measure is to enhance access to care via telehealth, including:

- (1) Requiring the State's Medicaid managed care and fee-for-service programs to cover services provided through telehealth;
- (2) Specifying medical professional liability insurance policy requirements for telehealth coverage;
- (3) Clarifying reimbursement requirements for telehealth;
- (4) Requiring written disclosure of coverage and benefits associated with telehealth;
- (5) Lifting restrictions and limitations on patient setting and applicable telehealth technology;
- (6) Clarifying requirements for physicians and out-of-state physicians to establish a physician-patient relationship via telehealth; and



- (7) Ensuring reimbursement requirements for telehealth services apply to all Hawaii Employer-Union Health Benefits Trust Fund health benefits plans.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, University of Hawai'i, The Queen's Health Systems, Hawaii Medical Service Association, Healthcare Association of Hawaii, Planned Parenthood Votes Northwest and Hawaii, and DentaQuest. Your Committees received comments on this measure from the Department of Human Services, Department of the Attorney General, and Hawaii Medical Board.

Your Committees find that telehealth is a proven, efficient, and effective way to facilitate timely access to quality health care, improve health outcomes, reduce the incidence of avoidable urgent and emergent care, and ensure equitable distribution of health care providers. The use of telehealth allows health care providers to treat patients in settings that are more convenient and comfortable for the patient, which facilitates a patient-centered approach for delivery of health care services. Your Committees further find that telehealth is used extensively throughout the country and can be particularly effective in states like Hawaii, where many segments of the population, particularly in rural and medically underserved areas, may experience challenges in accessing quality health care.

However, your Committees additionally find that there are several significant barriers to telehealth in Hawaii that have contributed to poor adoption and utilization of telehealth by health care providers. Some of these major barriers include geographical limitations on service, limitations on patient setting, and restrictions on applicable technology. This measure removes these artificial barriers to telehealth to help health care providers and patients in the State realize the full benefits of telehealth.

Your Committees have heard the concerns that certain aspects of this measure, including patient-provider relationships, reimbursement, privacy issues, and telehealth for purposes of prescribing a controlled substance, may need to be clarified. Your Committees agree with these concerns and conclude certain amendments to this measure are necessary.

Accordingly, your Committees have amended this measure by:



- (1) Deleting language that specified no reimbursement would be provided for telehealth consultations unless a health care provider-patient relationship existed between the patient and one of the health care providers and exempted this provider-patient prerequisite from emergency department services, as this language did not meet current standards of clinical practice and such consultations are not currently reimbursable;
- (2) Requiring services provided by telehealth to be consistent with all federal and state privacy, security, and confidentiality laws;
- (3) To avoid potential confusion, removing language that required the combined amount of reimbursement for a distant site health care provider and originating site health care provider to be not less than the total amount permitted for reimbursement for the same services provided via face-to-face contact between a health care provider and a patient, as telehealth reimbursement is already required to be equivalent to in-person reimbursement for the same services;
- (4) Deleting the requirement that for purposes of prescribing a controlled substance, a physician-patient relationship shall be established pursuant to chapter 329, Hawaii Revised Statutes, and specifying that for purposes of prescribing opiates or medical marijuana, a physician-patient relationship shall only be established after an in-person consultation between the prescribing physician and the patient;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2395, as amended herein, and recommend that it pass Second Reading in the form



attached hereto as S.B. No. 2395, S.D. 1, and be referred to your
Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Commerce,
Consumer Protection, and Health
and Human Services,



SUZANNE CHUN OAKLAND, Chair



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

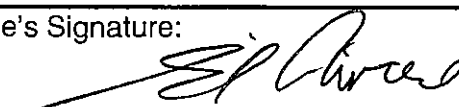
Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* SB 2395	Committee Referral: CPH/HMS, WAM	Date: 2/5/16		
<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
BAKER, Rosalyn H. (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will				/
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.				/
RUDERMAN, Russell E.				/
SLOM, Sam		/		
TOTAL	3	1		3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* SB2395	Committee Referral: CPH/HMS, WAM	Date: 2/9/16		
<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)	X			
RIVIERE, Gil (VC)	X			
GREEN, Josh				X
HARIMOTO, Breene	X			
RUDERMAN, Russell E.				X
THIELEN, Laura H.	X			
SLOM, Sam				X
TOTAL	4	0	0	3
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				

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