



STATE OF HAWAII
DEPARTMENT OF HEALTH
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In reply, please refer to:
File:

House Committees on Health and Human Services

H.B. 894, RELATING TO HEALTH

**Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health**

February 12, 2009, 10:00 am

1 **Department's Position:** The Department is opposing this measure because defined services are
2 currently paid for under the comprehensive primary care contracts, and legislation of reimbursement for
3 services will impede the Department's flexibility to adjust reimbursement fees to be competitive and
4 consistent with changing market trends.

5 **Fiscal Implications:** Unspecified appropriation to be made out of the general revenues of the State for
6 fiscal years 2009-2010 and 2010-2011.

7 **Purpose and Justification:** Comprehensive primary care services are procured statewide on a
8 competitive basis and are delivered by both for-profit and non-profit organizations. These contracts
9 require the awardee to provide at a minimum, primary care medical services that include support
10 services. Support services also known as enabling services are required as part of a comprehensive
11 primary care visit, and the awardee may not bill separately for these services. Support services include
12 but are not limited to care coordination, health education, psychosocial assessment, financial
13 counseling/eligibility assistance, outreach, and interpretation. The awardee's requirement to provide
14 support services is fundamental to coordinated, competent, culturally effective, community-based health
15 care, and is the hallmark of a patient-centered medical home. This concept provides the foundation

1 upon which the comprehensive primary care contracts are built. Family Health Services Division
2 (“FHSD”) currently reimburses \$95.00 per qualified visit. This amount has increased from \$90.00
3 established in fiscal year 2006, to \$95.00 established in fiscal year 2008 to factor in costs for enabling
4 and support services. Awardees are required as part of existing contracts to submit annual variance
5 reports containing a set of specified performance measures. The FHSD collects, analyzes, and utilizes
6 this data for quality improvement purposes. It would not be financially feasible, nor wise to legislate
7 rates for primary medical care or for improving the quality of care. Therefore, the Department of
8 Health’s position is that it is unnecessary to implement a pilot project as proposed in this measure.

9 Thank you for this opportunity to testify on this measure.

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Hawai'i Primary Care Association

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To: **The House Committee on Human Services**
The Hon. John M. Mizuno, Chair
The Hon. Tom Brower, Vice Chair

The House Committee on Health
The Hon. Ryan I. Yamane, Chair
The Hon. Scott Y. Nishimoto, Vice Chair

Testimony in Support of House Bill 894
Relating to Health
Submitted by Beth Giesting, CEO
February 12, 2009, 10:00 a.m. agenda, Room 329

The Hawaii Primary Care Association asks your support for this measure, which would direct the State Department of Health to pay out funds to Federally Qualified Health Centers (FQHCs) so as to support transformation of FQHCs to patient-centered health care homes. The patient-centered health care home is an approach to providing comprehensive primary care that includes the following elements:

- Access is assured despite temporal, linguistic, economic or other challenges.
- Patients and providers maintain a continuous relationship that enables early and accurate diagnoses and treatment of health problems that may arise.
- The practice has a whole person orientation which includes family and socio-economic circumstances.
- Care is coordinated, managed, and supplemented so that patients can get the care they need. This often includes outreach, follow-up, active referral management, translation, transportation, assistance with applications for public benefits, counseling, and health education. Another plus for the model is the integration of medical and behavioral health to ensure timely care and reduce stigma. At most FQHCs, dental care and WIC nutrition are also available on site.
- Quality and safety are standard and will soon be supported at all FQHCs by electronic medical records and other technologies.

The last element of a successful patient-centered health care home is payment that adequately compensates for this model. Enhanced payment is entirely justified by the fact that this model of care saves our health care system an extraordinary amount of money – far in excess of the cost to cover all these services. These savings are due to early and accurate identification of health problems so that they can be addressed, reduction of referrals to specialists and duplicative diagnostic testing, significantly less use of the emergency room, and fewer hospitalizations for ambulatory-sensitive conditions. Several studies across the country have documented that the patient-centered health care home model results in tremendous cost savings as well as enhanced patient satisfaction.

This bill proposes to study this model and determine if it is an effective long-term strategy for funding FQHCs from whatever revenues are available, whether general funds, targeted cigarette funds, or other. The Hawaii Primary Care Association will be pleased to cooperate with DOH to study this pilot and report its results to you.

Thank you for your consideration of this measure and for the opportunity to testify in its support.