DAVID Y. IGE
GOVERNOR OF HAWAII

BRUCE S. ANDERSON, Ph.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

Testimony in SUPPORT of H.B.1637 HD1
RELATING TO HEALTH.

SENATOR ROSALYN H. BAKER, CHAIR
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTIONS, AND HEALTH

Hearing Date: Thursday, March 12, 2020 Room Number: 229

Fiscal Implications: None.

Department Testimony: The Department of Health SUPPORTS Part I of this bill on civil monetary penalties (CMP) but with amendments to align Section 321-30.2 Hawaii Revised Statute (HRS) with the U.S. Centers for Medicare and Medicaid (CMS) CMP reinvestment program to return moneys to skilled nursing facilities to improve the care and lives of our *kupuna.* The Department defers to the Executive Office on Aging (EOA) on Part II on a Medicare administrator.

However, the Department prefers the Senate version of the CMP language in SB 2899 SD1. Specifically, please note that HB 1637 HD1 Part I includes language that is not allowed by CMS. The language would require CMP funds to be used for supplemental health care benefits such as in-home care, adult day care, and other non-medical, in-home items and services, subject to CMS approval. CMS does not allow CMP funds to be used for those purposes. CMP funds can only be used to benefit residents in Medicare certified long-term care (LTC) facilities such as skilled nursing facilities (SNF). CMS requires states to have a CMS-approved CMP reinvestment plan and they will reject Hawaii's plan if this wording is in statute. For this reason

we ask that those added items be removed from HD1 Part I. See below for the department's offered amendment.

Section 321-30.2 HRS established the CMP special fund with an annual spending ceiling of $30,000. However, CMS now prefers that state statutes not contain spending limits so that favorable reinvestment projects can be better funded from CMP moneys. As of June 30, 2019, Hawaii's CMP fund balance was $1,051,157, and $371,324 was deposited during fiscal year 2019.

CMS's CMP reinvestment program is authorized by 42 CFR 488.433 to support projects that benefit nursing home residents and that protect or improve their quality of care or quality of life. The CFR requires states to maintain an acceptable CMP reinvestment plan, approved by CMS, for the effective use of CMP reinvestment funds. Unfortunately, because of Hawaii's current statutory spending limit, Hawaii's plan was deemed unacceptable. Hawaii's plan includes a process of obtaining information on beneficial projects through a request for information (RFI) process and then publishing requests for proposals (RFP) and contracting with agencies to fund projects pursuant to CMS guidelines. All projects must be approved by CMS and the Department must follow state procurement laws. State procurement laws and the contracting process will take time and effort to accomplish, but it's a worthwhile effort to improve the lives of our *kupuna*.

Thank you for the opportunity to testify in SUPPORT of Part I of this bill.

Offered Amendments: Page 3 lines 19 through part of line 21 must be removed. As a result, the bill beginning on page 3 line 16 would read as follows: "Moneys in the fund shall be

expended by the department of health as approved by the Centers for Medicare and Medicaid Services. Moneys in the fund may be used during any fiscal year…"

LATE

DAVID Y. IGE
GOVERNOR OF HAWAII

BRUCE ANDERSON
DIRECTOR OF HEALTH

CAROLINE CADIRAO
DIRECTOR

STATE OF HAWAII
EXECUTIVE OFFICE ON AGING
NO. 1 CAPITOL DISTRICT
250 SOUTH HOTEL STREET, SUITE 406
HONOLULU, HAWAII 96813-2831
eoa@doh.hawaii.gov

Telephone
(808) 586-0100

Fax
(808) 586-0185

Testimony COMMENTING on HB1637, HD1
Relating to Health

COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH
SENATOR ROSALYN H. BAKER, CHAIR
SENATOR STANLEY CHANG, VICE CHAIR

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing Date March 12, 2020 Room Number: 229
9:30 AM

EOA's Position: The Executive Office on Aging (EOA), an attached agency to the Department of Health, is providing comments for HB1637, HD1 Relating to Health, Part II, Section 3 and defers to the Department of Health (DOH) as the implementing agency.

Fiscal Implications: Part II, Section 3 appropriates an unspecified amount for fiscal year 2020-2021 for DOH to establish one permanent full-time equivalent (1.0 FTE) medicare administrator position within the Department of Health, Executive Office on Aging (EOA).

Purpose and Justification: Part II, Section 3 identifies the need for a Medicare Administrator to support outreach for those transitioning to Medicare Coverage.

Medicare is the federal health insurance program for people who are 65 or older, certain younger people with disabilities, and people with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant) or Amyotrophic Lateral Sclerosis (ALS) also known as Lou Gehrig's Disease. Medicare benefits are available in different parts that help cover specific

services. Part A covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care. Part B covers certain doctors' services, outpatient care, medical supplies, and preventive services. Part D adds prescription drug coverage to Original Medicare and is offered by insurance companies and other private companies approved by Medicare. Part C or Medicare Advantage Plans are an "all in one" alternative to Original Medicare. These "bundled" plans include Part A, Part B, and usually Part D.

There are different enrollment periods to avoid lifetime late enrollment penalties for Parts A, B, and D. The Initial Enrollment Period (IEP) occurs when an individual reaches age 65 or has received disability benefits for twenty-four months. There is an annual General Enrollment Period (GEP) if Part B was not elected when first eligible. There are also Special Enrollment Periods (SEP) if certain criteria are met, such as relocating to another state, losing employer group coverage, or losing spousal coverage. The time period for enrollment is different for each SEP which makes the enrollment experience for those who are newly eligible very confusing and costly if they incur a late enrollment penalty.

Currently, there are two options available for individuals who are navigating Medicare. One option is to call the 1-800 Medicare Hotline for general information with operators available based on eastern daylight time. The other option is to contact the **State Health Insurance Assistance Program (SHIP)** which is a federally funded program available in all fifty states. Hawaii SHIP recruits and trains local volunteer counselors to provide information and assistance to help Medicare beneficiaries make informed choices.

Administered in Hawaii since 1992 by the Executive Office on Aging, the Hawaii State Health Insurance Assistance Program (SHIP) helps individuals, employer groups, medical providers,

and community organizations to understand and stay informed about Medicare and health plan options that differ by county or service area. SHIP is a volunteer-based program with a mission to empower, educate, and assist Medicare-eligible individuals, their families, caregivers, and soon-to-be-retirees through objective outreach, counseling, and training to make informed health insurance decisions that optimize access to care and benefits.

SHIP counselors provide accurate and reliable information to help beneficiaries to avoid late enrollment penalties and to make cost-effective choices based on their individual health needs. Hawaii SHIP also screens for eligibility and provides application and enrollment assistance for low-income subsidy programs such as the Medicare Savings Programs through Medicaid to offset Medicare Part A and B premiums, and Extra Help, which is available through the Social Security Administration to offset prescription drug premiums, copays, and deductibles.

Hawaii has the fastest growing aging population nationally and has the highest life expectancy at 81.3 years of age. Hawaii also ranks first in terms of healthiest residents according to the United Health Foundation. In 2018, Hawaii had 262,864 Medicare beneficiaries according to the Centers for Medicare and Medicaid Services (CMS), and this number is expected to increase significantly each year until 2029 when the last of the baby boomer generation become Medicare eligible. This Medicare Administrator position organizationally housed under the EOA would provide leadership in the coordination and collaboration between public and private sector partners, to provide education, information, and assistance to a growing number of Medicare beneficiaries in Hawaii and to meet the increased demand for one-on-one health plan counseling. In addition, this Medicare Administrator can help position Hawaii to become a national leader by

exploring strategies for enhanced coordination of Medicare benefits and coverage for other services and supports administered by EOA.

Recommendation: EOA fully supports the intent of the Medicare Administrator within the Department of Health. If this measure moves forward, EOA would suggest supporting the position at EOA to work in coordination with the SHIP and other EOA programs and services.

Thank you for the opportunity to testify.

March 12, 2020 at 9:30 am
Conference Room 229

Senate Committee on Commerce, Consumer Protection, and Health

To: Chair Rosalyn H. Baker
Vice Chair Stanley Chang

From: Paige Heckathorn Choy
Director of Government Affairs
Healthcare Association of Hawaii

Re: Providing Comments
HB 1637 HD 1, Relating to Health

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 health care 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 over 20,000 people statewide.

Thank you for the opportunity to provide **comments** on Section 2 of this measure, which would lift the annual ceiling on the Medicare Civil Monetary Penalty (CMP) Special Fund. The fines that are collected and put into this fund are meant to be returned to the states in which they are imposed to improve nursing facility residents' quality of life or care. We have some concerns regarding the ability of the CMP funds to be used for "supplemental health care benefits, such as in-home care, adult day care, and other non-medical, in-home items and services." It is our understanding that these funds cannot be used for these services, per directions from the Centers for Medicare and Medicaid Services (CMS). We would suggest amending Section 2 to reflect what is currently in Section 2 of SB 2899 SD 2.

Removing the ceiling on this special fund will enable our members to undertake quality improvement initiatives that will provide a meaningful benefit to patients. In fact, many of our members have already completed projects and initiatives that have improved patient care. Notable examples include the development and implementation of a music and memory therapy program in nursing facilities; an infection prevention and control training for nursing facility staff; the integration of a telemedicine system to improve resident health outcomes and prevent rehospitalizations; and a workforce retainment program to reduce turnover and increase residents' quality of care. We appreciate the opportunity to support the intent of Section 2 of this measure and to provide our concerns.

LATE

HB-1637-HD-1
Submitted on: 3/11/2020 1:33:00 PM
Testimony for CPH on 3/12/2020 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
edward peskin,MD	Individual	Support	No

Comments:

LATE

TO THE SENATE
THE THIRTIETH LEGISLATURE
REGULAR SESSION OF 2020

COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH
Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair

DATE: Thursday, March 12, 2020
TIME: 9:30 AM
PLACE: Conference Room 229
State Capitol
415 South Beretania Street
HEARING HB1637

POSITION: **STRONG SUPPORT HB1637,HD1**

This bill provides an avenue of outreach and education that is missing in the vital link of care, connecting persons that are self-employed or do not meet the requirements for the Current State program SHIP. SHIP has done a tremendous job with the mission they have been given and the capacity of their current staff. However, to meet the needs of the growing cohort of individuals which there must be an added addition to address the concerns the amended language of the bill explains.

The ability of a person to avoid paying unnecessary lifetime penalties in cost of care is quite compelling when looking at one of the largest reasons for bankruptcy is medical debt. In the United States, Congress in bi-partisan support signed on to this measure a bill in which the federal government recognized this need for services and provides the state resources toward these outreach efforts.

Language in the press release states: Why do we need the BENES Act (S. 1280/H.R. 2477)?

"Complex Medicare enrollment rules and lacking notification cause tens of thousands of older adults and people with disabilities to face lifetime fines,

https://www.aging.senate.gov/imo/media/doc/BENES%20Act%20One%20Pager%200419.pdf?fbclid=IwAR3RW2TG1I7BpCvchLRPqic3AMoLnnk8pkiXVmfEQO0zwsIPMV86fiBNTnw

https://www.congress.gov/bill/116th-congress/house-bill/2477

coverage gaps and other harmful consequences. With fewer people automatically enrolled in Medicare—and 10,000 Baby Boomers aging into Medicare each day—more people new to Medicare must actively enroll in the program.

Individuals who miss their initial Medicare enrollment window may pay lifetime late enrollment penalties, experience lengthy gaps in outpatient health coverage or face unaffordable and unexpected out-of-pocket health care costs. In 2018, about 760,000 people with Medicare were paying a Part B Late Enrollment Penalty (LEP) and the average LEP amounted to ***nearly a 28% increase in a beneficiary's monthly premium".***

Hawaii because of our aging population needs to take this matter seriously and plan accordingly. Please support this bill with the suggested amendments as it will strengthen the intent of this proposed legislation and provide the State of Hawaii with the type of expert that has the experience as provided in the amended language along with acumen, competence and a cooperative relationship with existing health care stakeholders. Thank you for taking the time in reading this testimony Mahalo, Ken Farm

Mahalo,

Ken Farm

https://www.aging.senate.gov/imo/media/doc/BENES%20Act%20One%20Pager%200419.pdf?fbclid=IwAR3RW2TG1I7BpCvchLRPqic3AMoLnnk8pkiXVmfEQO0zwsIPMV86fiBNTnw

https://www.congress.gov/bill/116th-congress/house-bill/2477

LATE

HB-1637-HD-1
Submitted on: 3/11/2020 10:49:01 PM
Testimony for CPH on 3/12/2020 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
MarshaRose Joyner	Individual	Support	No

Comments:

POSITION: STRONG SUPPORT HB1637, HD1

I'm writing in strong support of HB1637, HD1 In light of the current changes due to the worldwide pandemic, you more than anyone else, understand the economics of the state of Hawaii and how this bill is of vital importance.

As you know there is a critical need for outreach, education, for small business employers, community non-profits, self-employees, and the general community toward the full understanding the multifaceted Medicare enrollment rules, especially when it comes to children with cancer and other major ailments.

Despite gains in coverage and access to care from the ACA and other insurance programs, national findings suggest that this coverage did not change the proportion of persons with medical causes, co-pays and mounting hospital bills filing for bankruptcy.

When individuals and/or businesses enter bankruptcy in large numbers, it has the

potential to negatively impact the economy of Hawaii. As well as a contributing factor to

homelessness.

This bill provides for a program of outreach and education that is missing in the vital link of care, connecting persons that are self-employed or work for companies with less than 20 employees and do not meet the requirements for the Current State program SHIP. SHIP has done a tremendous job with the mission they have been given and the capacity of their current staff.

However, to meet the needs of these growing groups there must be a program to address the concerns the amended language of the bill explains.

The ability of a person to avoid paying unnecessary lifetime penalties in cost of

care is quite compelling when looking at one of the largest reasons for bankruptcy is medical debt. In the United States, Congress in bi-partisan support signed on to this measure a bill in which the federal government recognized this need for services and

1. the state resources toward these outreach efforts. BENES Act (S. 1280/H.R. 2477)?

LATE

HB-1637-HD-1
Submitted on: 3/12/2020 1:06:41 AM
Testimony for CPH on 3/12/2020 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ian	Individual	Support	No

Comments:

TESTIMONY IN SUPPORT of HB 1637

I support HB1637 and contracting a Medicare Administrator to ensure populations entitled to Medicare are educated about the enrollment process and critical timelines.

TARGET POPULATIONS

1) Children who qualify for Medicare due to disability including a cancer diagnosis.

2) Self-employed persons and workers in small businesses with less than 20 employees.

3) Medicare beneficiaries returning to the US from abroad.

4) Individuals entitled to Medicare due to age or disability recently released from prison.

5) Individuals receiving Supplemental Security Income who may not understand how to transition to Medicare insurance

I have worked with individuals from each of the above categories. Many times they end up on MEDICAID because they are unaware they are entitled to MEDICARE, and/or do not understand the enrollment process.

Our self-employed populations or workers in small companies can end up paying lifetime late enrollment penalties. Many are unaware of the process to transition to Medicare at age 65 when Medicare becomes primary for some individuals. In this case, a serious accident or illness would not be covered by their employer coverage if Medicare is primarybandvthey never enrolled.

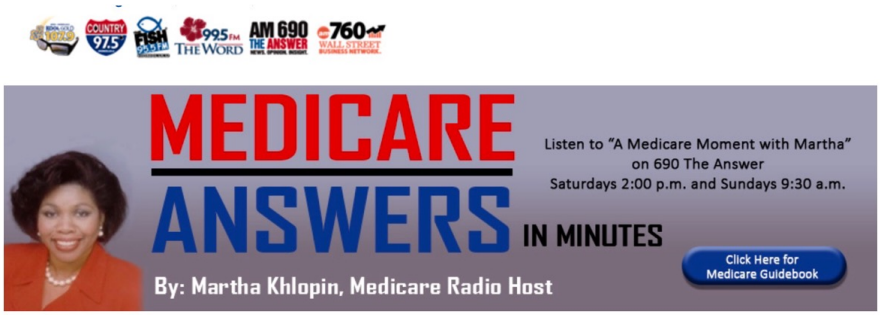
I have many examples and testimonies from individuals who were unable to find help.

There are resources and informationwho follow the natural progression of aging in to Medicare, however, it would be helpful to all of our residents who are entitled to Medicare to be informed. Additionaly, it would certainly relieve the burden on our state if medicaid revipients entitled to Medicare insurance were appropriately enrolled. In those situations, Medicare would be the primary payer and the state would pay second.

I look forward to meeting with anyone who would like to hear from some of the actual individuals who experienced problems transitioning to Medicare outside of the normal age-in process.

Sincerely,

Martha Khlopin



Office Location: 1003 Bishop Street, Pauahi Tower - 27th Floor, Suite 2700 Honolulu, HI 96813 (808) 237-2420