DAVID Y. IGE
GOVERNOR

EXECUTIVE CHAMBERS
HONOLULU

February 2, 2021

TO: The Honorable Representative Ryan I. Yamane, Chair
House Committee on Health, Human Services, and Homelessness

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **HB 541 – RELATING TO HEALTH**

Hearing: Tuesday, February 2, 2021, 9:30 a.m.
VIA VIDEO CONFERENCE
Conference Room 329, State Capitol

POSITION: The Governor's Coordinator appreciates the intent of this bill and offers comments.

PURPOSE: The purpose of this bill is to require executive branch agencies that purchase social services related to mental health, substance abuse, and homelessness to establish uniform baseline performance metrics, evaluation standards, and reimbursement rates. In addition, the bill requires organizations purchasing these services at the request of a state agency to disclose the source of other federal, state, or county-level funding received for the same purposes. The bill also establishes the state payor committee to oversee and coordinate the purchase of services and recommend approval or rejection of contracts related to mental health, substance abuse, or homelessness services.

The Coordinator agrees with the intent to implement standard metrics and evaluation and notes current efforts have demonstrated that standardizing metrics and regularly evaluating them results in improved outcomes. In 2017, DHS implemented standardized performance metrics that enforced a housing-focused approach for all contracts and aligned DHS metrics with federal metrics required by the U.S. Department of Housing and Urban Development (HUD). The shared focus on metrics emphasizing housing placement and

retention across DHS and HUD homelessness service contracts contributed to statewide reductions in the Point in Time count and increases in the number of homeless individuals placed in housing between 2017 and 2020.

In addition, just prior to the pandemic, the community began to examine the different payors and funding streams for homelessness services to facilitate identification of service gaps, overlap, and time-limited funding, as well as opportunities for increased alignment. Beginning in November 2019, the Coordinator convened a monthly homeless funders group that includes regular participation from DHS, DOH, Office of Youth Services (OYS), the four counties, HUD, and the U.S. Department of Veteran Affairs.

The homeless funders group strengthened relationships between agencies, and enabled DHS and DOH to quickly partner following the COVID-19 pandemic to launch isolation and quarantine facilities for homeless individuals and establish connections with DHS and County shelters to discharge individuals to shelter following isolation and minimize discharges to homelessness. In addition, the homeless funders group discussions assisted agencies to identify opportunities for DHS service dollars to be paired with City-funded facilities to add new permanent supportive housing, such as the 'Ohana Zone Kumuwai and Hale Maluhia programs.

In December 2020, the Hawaii Interagency Council on Homelessness (HICH) developed a homelessness fiscal map of federal, state, and local funding for homelessness services to build upon initial conversations of the homeless funders group. The fiscal map found that nearly 40% of funding for permanent supportive housing programs come from State or County general funds that are contracted only year to year and highlighted the need to sustain these funding stream to avoid adverse impact for clients housed in these programs.

In addition, the homeless funders group enabled funders to plan for implementation of federal emergency rental assistance by highlighting funding streams for homelessness prevention where there may be potential duplication of payment. In 2021, the HICH will continue review and enhancement of the fiscal map, to include the addition of philanthropic funding streams.

The fiscal map and homeless funders group discussions identified key difference in the structure of contracts for behavioral health services, and homelessness services, including

means of payment. For example, DOH behavioral health contracts are paid on a unit rate, while DHS homelessness service contracts are not paid based on units and may include upfront costs needed to cover rental subsidies for programs such as Rapid Rehousing and Housing First. The differences in contract structure add to the complexity of achieving uniform reimbursement rates across executive branch contracts and may result in unintended impacts if rates are established without addressing these complexities.

If this measure proceeds, the Coordinator suggests reviewing the current efforts in the homelessness system to align funding and services, as well as seeking additional input from executive branch agencies that directly or indirectly contract for mental health, substance abuse, and homelessness services to avoid adverse unintended impacts. Additional executive branch agencies that may contract for these services include the Department of the Attorney General (AG), Department of Labor and Industrial Relations (DLIR), Department of Public Safety (DPS), and attached agencies such as the Hawaii Public Housing Authority, Executive Office on Aging, OYS and the Office of Community Services.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR

BONNIE KAHAKUI
ACTING ADMINISTRATOR

STATE OF HAWAII
STATE PROCUREMENT OFFICE
P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
email: state.procurement.office@hawaii.gov
http://spo.hawaii.gov
Twitter: @hawaiispo

TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
HEALTH, HUMAN SERVICES & HOMELESSNESS
FEBRUARY 2, 2021, 9:30 A.M.

HOUSE BILL 541
RELATING TO HEALTH

Chair Yamane, Vice Chair Tam, and members of the committee, thank you for the opportunity to submit testimony on HB541.

The State Procurement Office (SPO) supports the intent of this bill and has comments about the language of the proposed amendments to Chapter 103D, Hawaii Revised Statutes (HRS), on page 4, Section 2, lines 14 to 17; page 5, Section 2, lines 13 to 18; and page 6, Section 2, lines 6 to 9.

The SPO appreciates that executive programs that purchase social services related to mental health, substance abuse, and homelessness shall be required to establish uniform baseline performance metrics, evaluation standards and reimbursement rates. However, since the services mentioned are being delivered directly to a target audience, and these procurements fall under Chapter 103F, HRS, Purchases of Health and Human Services, the SPO recommends amending the affected passages accordingly:

Page 4, lines 14 to 17:

"SECTION 2. Chapter ~~103D~~ 103F Hawaii Revised Statutes, is amended by adding two new sections to part ~~III~~ IV to be appropriately designated and to read as follows:

"~~§103D-A~~ §103F-A Mental health, substance abuse, and homelessness services."

Page 5, lines 13 to 18:

" (d) Beginning July 1, 2021, no purchase of service contracts for behavioral health, substance abuse, or homelessness services using state resources shall be initiated, renewed or continued unless reviewed and approved by the state payor committee, established pursuant to section ~~103D-B~~ 103F-B.

§~~103D-B~~ 103F-B State payor committee."

Page 6, lines 6 to 9:

" (c) The committee shall have oversight of the coordination of the purchase of services and shall be responsible for recommending approval or rejection of service contracts pursuant to section ~~103D-A~~ 103F-A."

The SPO furtherly recommends defining the composition of the proposed State payor committee in a more detailed manner regarding qualifications, functions, and duration of terms for the individual members as mentioned in the proposed amendment 103F-B for section IV of Chapter 103F, HRS.

Thank you

DAVID Y. IGE
GOVERNOR

CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

January 31, 2021

TO: The Honorable Representative, Chair Ryan I. Yamane, Chair
House Committee on Health, Human Services, & Homelessness

FROM: Cathy Betts, Director

SUBJECT: **HB 541 – RELATING TO HEALTH**

Hearing: Tuesday, February 2, 2021, 9:30 a.m.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this proposal and offers comments.

PURPOSE: This bill requires executive programs that purchase social services related to mental health, substance abuse, and homelessness to establish uniform baseline performance metrics, evaluation standards, and reimbursement rates. Requires all community or private organizations that purchase services for behavioral health, substance abuse, or homelessness, at the request of any state funding agency, to disclose the source of other federal, state, or county-level funding it receives for the purposes of performing such services. Establishes the state payor committee, to be administered by the director of the department of health, to oversee and coordinate the purchase of services and recommend approval or rejection of the purchase of contracts relating to mental health, substance abuse, or homelessness services.

While appreciative of the need to better integrate the broad array of behavioral health services and services for individuals facing homelessness, DHS suggests that prior to enacting into statute an additional oversite entity, DHS suggests the Legislature review the current efforts of the Hawaii Interagency Council on Homelessness (HICH) to align homelessness

funding and services, as well as seek additional input from executive branch agencies that directly or indirectly contract for mental health, substance abuse, and homelessness services to avoid adverse unintended impacts. The variety of services and services providers, and each community's ability and organizational capacity to meet residents' needs underscores the need to maintain broad flexibility in approach while aligning performance and payment measures.

DHS recognizes a clear link between healthcare and homelessness. The Emergency Department (ED) and Medical Respite (MR) Pilot Programs administered by the Homeless Programs Office (HPO) were innovations to address Oahu's most vulnerable population's health and safety and are important learning opportunities for healthcare administration and the homeless response systems. However, the goals and outcome measures of healthcare and homeless response systems are not necessarily aligned.

HPO is responsible for procurement, development, implementation, management, and monitoring of a wide range of specialized programs that focuses on prevention of homelessness, reduction in the length of time program participants spend in homelessness, exiting households to permanent housing, and preventing recidivism. HPO struggled to find common ground from the outset due to distinct medical terminology and different program requirements. Consequently, there were delays in executing the contracts and took over nine (9) months to agree to contract language.

The full report related to the ED and MR Pilot Programs can be found here: https://humanservices.hawaii.gov/wp-content/uploads/2021/01/FINAL_Act-69-2020-Emer-Dept-and-Med-Respite-Pilots-signed-4.pdf

All HPO contracted service providers are required to follow a Housing First approach. This approach aims to help homeless households access permanent housing as rapidly as possible by removing barriers to program entry and assisting with quickly locating and accessing housing options. Other executive branch agencies may recognize the housing readiness model which may require treatment and sobriety before being ready for permanent housing.

Another key difference in the structure of contracts for medical, behavioral health and homelessness services, includes the means of payment. For example, DOH behavioral health

contracts are paid based on a unit rate, while DHS contracts for homelessness services are not paid based on units and may include upfront costs needed to cover rental subsidies for programs such as Rapid Rehousing and Housing First.

Through its managed care contracts, Med-QUEST Division (MQD) works with DOH behavioral health to promote coordination and improved integration. For example, recent contracts mandate working with Hawaii CARES. However, mandated performance metrics, reimbursement rates for mental health, substance use treatments or housing support services without any input or review would be very challenging to implement given the different payment rules governing Medicaid. For example, all reimbursement methodologies, and payment rates are reviewed and approved by the federal Centers for Medicare and Medicaid Services.

Furthermore, requiring uniformed base line performance metrics, evaluation standards, and reimbursement rates may likely negatively impact the potential applications to Requests For Proposals and eliminate competition from smaller providers, who otherwise would not be able to fund a homeless program if not for advanced payments.

Thank you for the opportunity to provide comments on this measure.

DAVID Y. IGE
GOVERNOR OF HAWAII

ELIZABETH A. CHAR, M.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 HB541
RELATING TO HEALTH

REPRESENTATIVE RYAN I. YAMANE, CHAIR
HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES, & HOMELESSNESS

Hearing Date: 2/2/2021 Hearing Time: 9:30 a.m.

Department Position: The Department of Health ("Department") **strongly supports the intent** of this measure, offers comments and submits a proposed HD1.

Department Testimony: The subject matter of this measure intersects with the scope of the Department's Behavioral Health Administration (BHA) whose statutory mandate is to assure a comprehensive statewide behavioral health care system by leveraging and coordinating public, private and community resources. Through the BHA, the Department is committed to carrying out this mandate by reducing silos, ensuring behavioral health care is readily accessible, and person-centered.

While we applaud the intent of this bill, largely because it reflects efforts currently underway to align utilization of resources in this area, we also acknowledge that it affects a broad range of other departments and programs in the state who utilize state resources to purchase and provide services for behavioral health and homelessness. We recognize that a mandate of this nature will require effort and commitment on the part of these programs. We stand ready to do our part to implement the goals of this measure.

The department offers the following comments:

1. The language of the current proposed measure may lead some to interpret that the intent is to have the committee evaluate, score and make recommendations for the

award of all contracts for the services described. The process of planning requests for proposals, reviewing respondent proposals, scoring them, and making a determination for the award is time consuming and labor intensive. This process is best left to the individual program making the purchase.

We wonder if the intent of this measure rather, is to provide overall guidance and a framework view as to whether the proposed purchase would duplicate efforts or resources that are already engaged with other sources. Further, that the intent of the committee described in this measure is to act in a similar role to the state's Enterprise Technology System (ETS) whereby a statewide framework and master plan is used to guide software purchases so as to prevent or minimize the purchase and use of fragmented systems across the state.

If this is the case, we humbly ask that the language changes in the attached proposed HD1 be considered to promote clarity and purpose.

2. The language of the bill focuses on Chapter 103D, Hawaii Revised Statutes. Our experience is that purchases for behavioral health and homeless services generally follow Chapter 103F. We respectfully ask that this be changed in the measure so as to align goals of the measure with existing statute.

Offered Amendments: None

Thank you for the opportunity to testify on this measure.

Fiscal Implications: Undetermined.

HOUSE OF REPRESENTATIVES
THIRTY-FIRST LEGISLATURE, 2021
STATE OF HAWAII

H.B. NO. 541

A BILL FOR AN ACT

RELATING TO HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that the department of health's behavioral health administration is responsible for planning, coordinating, and promoting statewide access to integrated behavioral health services to reduce the biological, social, psychological, and economic consequences of substance use disorder, mental health disorders, and other behavioral health conditions.

The legislature finds that fragmentation in the financing and payment ecosystem of behavioral health and homelessness care payers of state funding perpetuates disparity in monitoring outcomes and results of services purchased by the State. Further, the siloed manner in which state-funded services are purchased in this area leads to: increased administrative burdens on both providers and funders; disparity and inequity in reimbursement rates paid for similar services with state funds; difficulty in standardizing contracting, payment, evaluation

processes, and quality assurance metrics; and duplication of effort at best, and waste of resources at worst.

As a result, patients receive uncoordinated care across a variety of services by public providers, contracted providers, and other private providers. The legislature further finds that consumers and patients of behavioral health services should have improved quality of behavioral health care through greater integration, lower fragmentation of payment models, and standard performance metrics.

The legislature also finds that Act 90, Session Laws of Hawaii 2019, established the involuntary hospitalization task force, and Act 263, Session Laws of Hawaii 2019, established a working group to evaluate current behavioral health care and related systems, including existing resources, systems gaps, and identification of action steps that could be taken to improve the overall system of care. The findings of these efforts highlighted various gaps and identified action steps that could be taken by the State to improve the coordination of the overall system of care. Since then, the behavioral health administration has made strides in implementing the recommendations and closing service gaps, which is evident in the expansion of the coordinated access resource entry system (CARES) and the recent implementation of stabilization beds for sub-acute care. However, there is still much work to be done if

the State is to realize the goal of a comprehensive coordinated system of care for behavioral health and homelessness for services purchased by the State, as State resources should be used for services with optimal value and impact.

The legislature additionally finds that the legislature has the ability to promote greater coordination and enhance recent accomplishments through enacting legislation that requires more formalized coordination of purchasing services with state resources. Further, mandating such activities can facilitate multi-sectoral coordination of state resources, and given the current economic situation facing the State, it is in the State's best interests to do so. Accordingly, the purpose of this Act is to:

(1) Establish the state payor committee, to be co-chaired by the director of health and the director of the department of human services or their designated representative, to implement a unified framework for tracking, coordinating and guiding the purchase of behavioral health and homelessness services across the continuum of care that strives for integrated performance metrics, evaluation standards and reimbursement rates.

~~(1) Require executive programs that purchase social services related to mental health, substance abuse,~~

~~and homelessness, to establish uniform baseline performance metrics, evaluation standards, and reimbursement rates;~~

(2) Require all community or private organizations that purchase services for behavioral health, substance abuse, or homelessness, at the request of any state funding agency, to disclose the source of other federal, state, or county-level funding it receives for the purposes of performing such services; and the rai

~~(3) Establish the state payor committee, to be led by the department of health, to oversee and coordinate the purchase of services and recommend approval or rejection of the purchase of service contracts covered by this Act.~~

SECTION 2. Chapter 103~~D~~F Hawaii Revised Statutes, is amended by adding two new sections to part III to be appropriately designated and to read as follows:

"**§103~~D~~F-A Mental health, substance abuse, and homelessness services.** (a) All executive state agencies or programs that purchase social services related to mental health, substance abuse, and homelessness, shall **coordinate with the integrated payer group as part of their planning activities for any purchase of service under 103F and shall consider the**

recommendations and payer framework of performance metrics and evaluation standards developed by the committee when planning for the purposes of purchasing such services with state resources.

(b) All executive state agencies or programs shall **seek to align** ~~establish uniform~~ reimbursement rates **where applicable and in coordination with the payer committee** across all contracts entered into for the purpose of purchasing behavioral health, substance abuse, or homelessness services with state resources.

(c) All community or private organizations that purchase services for behavioral health, substance abuse, or homelessness services, at the request of any state funding agency, shall disclose the source of any other federal, state, or county level funding it receives for purposes of performing such services.

(d) Beginning July 1, 2021, ~~no~~ purchase of service contracts for behavioral health, substance abuse, or homelessness services using state resources ~~shall be~~ **that are** initiated, renewed, or continued ~~unless reviewed and approved by~~ **shall be reported to** the state payor committee, established pursuant to section 103~~D~~F-B.

§103~~D~~F-B State payor committee. (a) There is established the state payor committee, which shall be composed of members from any executive department or agency that purchases contracts

for the delivery of services related to substance abuse, mental health, and homelessness with state resources.

(b) The director of health **and the director of human services** or the**ir** ~~director's~~ designated representative shall serve as the administrative head of the state payor committee.

(c) The committee shall have oversight of the coordination of the purchase of services and shall be responsible for **creating a purchase of service framework that aligns all purchase** service contracts pursuant to section 103~~D~~F-A."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY: _____

Report Title:
Procurement; Service Contracts; Mental Health Services; Substance Abuse Services; Homelessness Services; Department of Health; Department of Human Services; State Payor Committee

Description:
~~Requires executive programs that purchase social services related to mental health, substance abuse, and homelessness to establish uniform baseline performance metrics, evaluation standards, and reimbursement rates.~~ Requires all community or private organizations that purchase services for behavioral health, substance abuse, or homelessness, at the request of any state funding agency, to disclose the source of other federal, state, or county-level funding it receives for the purposes of performing such services. Establishes the state payor committee, to be co-chaired by the director of health and the director of the department of human services or their designated representative, to implement a unified framework for tracking, coordinating and guiding the purchase of behavioral health and homelessness services across the continuum of care that strives for integrated performance metrics, evaluation standards and reimbursement rates. ~~administered by the director of the department of health, to oversee and coordinate the purchase of services and recommend approval or rejection of the purchase of contracts relating to mental health, substance abuse, or homelessness services.~~

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-FIRST LEGISLATURE, 2021

ON THE FOLLOWING MEASURE:
H.B. NO. 541, RELATING TO HEALTH.

BEFORE THE:
HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES, AND HOMELESSNESS

DATE: Tuesday, February 2, 2021 **TIME:** 9:30 a.m.

LOCATION: State Capitol, Via Videoconference

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**
(For more information, contact Michelle E. Nakata,
Deputy Attorney General, at (587-3050)

Chair Yamane and Members of the Committee:

The Department of the Attorney General provides the following comments on this measure.

The purposes of this bill are to: (1) require executive programs that purchase social services related to mental health, substance abuse, and homelessness to establish uniform baseline performance metrics, evaluation standards, and reimbursement rates; (2) require all community or private organizations that purchase services for behavioral health, substance abuse, or homelessness, at the request of any state funding agency to disclose the source of other federal, state, or county-level funding it receives for the purposes of performing such services; and (3) establish the state payor committee, to be administered by the Department of Health, to oversee and coordinate the purchase of services and recommend approval or rejection of the purchase of services relating to mental health, substance abuse, or homelessness services.

This bill may be subject to constitutional challenge. Section 2 of this bill would require executive programs that purchase social services related to mental health, substance abuse, and homelessness to establish baseline performance metrics, evaluation standards, and reimbursement rates. The title of this bill is "RELATING TO HEALTH." Section 14 of article III of the Constitution of the State of Hawaii provides

that "[e]ach law shall embrace but one subject, which shall be expressed in its title." As presently described and set forth, homelessness services are not appropriately described as relating to health. To avoid a potential constitutional challenge on this issue, we recommend that the measure be amended to specify that the social services apply to mental health and substance abuse only and not to homelessness, or, in the alternative, that another bill with an appropriate title be utilized to accomplish the intended.

In addition, Section 2 of this bill amends chapter 103D, Hawaii Revised Statutes (HRS), by adding two new sections to part III. Since contracts relating to mental health and substance abuse services may also be procured under chapter 103F, HRS, for health and human services, we suggest that this bill be amended similarly to add two new sections to part IV of chapter 103F. We further suggest that the references to social services be limited to mental health and substance abuse services only and not to homelessness services.

Thank you for the opportunity to submit these comments.

Michael P. Victorino
Mayor

Sananda K. Baz
Managing Director

OFFICE OF THE MAYOR
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

February 1, 2021

TESTIMONY OF MICHAEL P. VICTORINO
MAYOR
COUNTY OF MAUI

BEFORE THE HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES & HOMELESSNESS

Tuesday, February 2, 2021, 9:30 a.m.
House Conference Room via Videoconference

HB541, RELATING TO HEALTH
Honorable Ryan I. Yamane, Chair
Honorable Adrian K. Tam, Vice Chair
Honorable Members of the House Committee on Health, Human Services & Homelessness

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Thank you for this opportunity to testify in **SUPPORT** of HB541.

Under the provisions of this bill, State departments would establish uniform baseline performance metrics, evaluation standards, and reimbursement rates. The goals of coordinating the efforts of State departments, and facilitating the development of standards for performance, evaluation and pay, are commendable.

For its part, the County of Maui, which provides social services through our grants, would commit to working in tandem with the State's efforts to support the concept of common measurements, and grantees' full disclosure of all funding sources.

I urge you to pass this measure, HB541.

THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Ryan I. Yamane, Chair
The Honorable Adrian K. Tam, Vice Chair
Members, House Committee on Health, Human Services, & Homelessness

From: Sondra Leiggi-Brandon, Director, Behavioral Health Services, The Queen's Medical Center
Colette Masunaga, Director, External Affairs, The Queen's Health Systems

Date: February 2, 2021

Re: Comments on HB541: Relating to Health

The Queen's Health Systems (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 1,500 affiliated physicians and providers 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 in support for the intent of HB541 to bring greater transparency and coordination of the services in our state. This bill would, among other things, require executive programs that purchase social services related to mental health, substance abuse, and homelessness to establish uniform baseline performance metrics, evaluation standards, and reimbursement rates and requires all community or private organizations that purchase services for behavioral health, substance abuse, or homelessness, at the request of any state funding agency, to disclose the source of other federal, state, or county-level funding it receives for the purposes of performing such services. The bill also establishes the state payor committee, to be administered by the director of the department of health, to oversee and coordinate the purchase of services and recommend approval or rejection of the purchase of contracts relating to mental health, substance abuse, or homelessness services.

While Queen's is dedicated to our mission of providing quality health care services to Native Hawaiians and all the people of Hawai'i, we are disproportionately impacted by the increasing needs for health care services for those suffering from behavioral health conditions, chronic substance abuse, and homelessness. Therefore, we appreciate the intent of the bill to provide greater pay parity as well as the emphasis on reducing fragmentation of services and improving the continuum of care for individuals and their families.

Queen's is committed to continuing to work with the Department of Health and other stakeholders to improve and expand the social service safety net that this measure intends to strengthen. Thank you for the opportunity to provide comments on this measure.

HAWAII SUBSTANCE ABUSE COALITION

HB541 Contracts for Substance Abuse, Mental Health and Homelessness

COMMITTEE ON HEALTH, HUMAN SERVICES & HOMELESSNESS:

- Rep Ryan Yamane, Chair; Rep. Adrian Tam, Vice Chair
- Tuesday, Feb. 2, 2021: 9:30 am: Videoconference

Hawaii Substance Abuse Coalition Opposes HB541:

Recommends a Task Force

GOOD MORNING CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization of over 30 substance use disorder and co-occurring mental health disorder treatment and prevention agencies.

HSAC understands that payment reform for substance abuse, mental health and homelessness is an exceedingly complex struggle. We highly recommend a thoughtful discussion involving many key players before implementing.

The federal government has been researching payment and outcome measurements for decades and has not yet found a comprehensive, uniform solution. The U.S. Department of Health and Human Services has been studying sources of payment for behavioral health providers and types of payments and outcomes (methods, units, adjustments and updates) made to inpatient, outpatient, independent practitioners, and other providers of behavioral health services. A significant focus of this effort describes these same factors in terms of Medicare and Medicaid spending.[1]. Financing behavioral health services in the United States is a complex web of resource decisions and allocations, funding strategies, payer sources and recipient eligibility requirements that include a wide range of public and private payers.

Sorting through the information to illustrate a clear picture of behavioral health spending across payers and services is no easy task per the Report to the President.

- **The behavioral health services system defies easy description**. ***Loosely defined, the system collectively refers to the full array of programs*** *for anyone with substance use disorders or mental illness. The programs deliver or pay for treatments, services, or any other types of supports, such as disability, housing, or employment. These programs are found at every level of government and in the private sector. They have varying missions, settings, and financing. The mission could be to offer treatment in the form of medication, psychotherapy, substance abuse treatment, or counseling. Or it could be to offer rehabilitation support. The setting could be a hospital, a community clinic, a private office, or in a school or business. The financing of care, could come from at least one of a*

[1] U.S. Dept. of Health and Human Services: Office of the Asst. Secretary for Planning and Evaluation: https://aspe.hhs.gov/basic-report/behavioral-health-providers-expenditures-methods-and-sources-payment-electronic-health-record-incentive-payments-certain-behavioral-health-providers-policy-descriptions

myriad of sources -- Medicaid, Medicare, a state agency, a local agency, a foundation, or private insurance. Each funding source has its own complex, sometimes contradictory, set of rules.

Looking at creating uniform baseline performance metrics, evaluation standards, and reimbursement rates has been a strategic goal of federal government sources and they have yet to determine uniform rates. This is simply because of the various levels of acuity and a wide array of different approaches. One service provides care to people with high acuity such as substance abuse, mental health, co-morbidity physical health issues and homelessness, of which the metrics would be different from other services which don't cover all disorders. Even if covered, some rates should be for high acuity and lower rates for low acuity in each area. A person may be high acuity in substance use disorder and low acuity in mental health disorders. This is a daunting discussion requiring input from many sources to understand the complex difficulty of uniform rates.

Some services focus on harm reductions models while others focus on a linear model. Communities throughout the U.S. are struggling to find solutions for serious and persistent homelessness. Alcohol and drug problems can be causes and consequences of homelessness, as well as co-occurring problems that complicate efforts to succeed in finding stable housing. Two prominent service models exist, one known as "Housing First" takes a harm reduction approach and the other known as the "linear" model typically supports a goal of abstinence from alcohol and drugs. Despite their popularity, the research supporting these models suffers from methodological problems and inconsistent findings. There are systematic weaknesses in research designs and inconsistent conclusions about the effectiveness of current models. Problems among some of the seminal studies on homelessness include poorly defined inclusion and exclusion criteria, inadequate measures of alcohol and drug use, unspecified or poorly implemented comparison conditions, and lack of procedures documenting adherence to service models.[2]

We recommend at Task Force. This is an ambitious undertaking of a significant institutional structural change requiring thoughtful discussion from various informed experts. Let's not jump blindly, but have a discussion of various stakeholders and research components. It's important to be inclusive of experts, providers, University of Hawaii, and government before making huge institutional changes. What sounds like a good idea can be better if well informed and inclusive.

- House and Senate legislative representative, DOH Director or designee, DHS Director or designee, Attorney General or designee, HSAC's designee, Partners-In-Care designee, University of Hawaii psychiatric department, Housing First representative, Hawaii Psychiatric Medical Association representative, Insurance provider(s) Clean and Sober Housing representative.

We appreciate the opportunity to provide testimony and are available for questions.

[2] National Institute of Health, NCBI: U.S. National Library of Medicine: Journal of Social Distress and the Homeless 2016: Co-occurring Substance Abuse and Mental Health Problems Among Homeless Persons. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4833089/

TO: Rep Ryan Yamane, Chair; Rep. Adrian Tam, Vice Chair
COMMITTEE ON HEALTH, HUMAN SERVICES & HOMELESSNESS:

Re: HB541 Contracts for Substance Abuse, Mental Health and Homelessness

- Tuesday, Feb. 2, 2021: 9:30 am

Aloha Ka'ua Chair, Vice Chair and distinguished committee members, my name is Shari Lynn, Executive Director of Ka Hale Pomaika'i, a Hawaiian culture focused addiction treatment and recovery center which presently serves Moloka'i, Lana'i and Hana. As an addiction treatment provider for over 30 years on Moloka'i, I am writing to express my opposition to **HB541**

In the current season of fiscal uncertainty, it is not unusual in a clinical treatment improvement protocol to discuss issues related to how clinical services are defined and reimbursed. In the field of substance abuse however, reimbursement issues have become so intertwined with the delivery of services that a SAMHSA consensus panel deemed it necessary to address the conflicts and misunderstandings that sometimes arise between the care systems and the reimbursement systems.

Third party payors sometimes prefer to manage payment for each defined service separately from other phases of substance abuse treatment, thus treating each as if it occurred in isolation from the treatment array. This "unbundling" of services can result in the separation of services into scattered segments. In other instances, reimbursement and utilization policies dictate that only certain services can be authorized. This often does not cover the non-western cultural counseling that is an integral part of substance abuse treatment in Hawai'i, specifically in remote and rural isolated and underserved island communities.

In the SAMHSA's Treatment and Improvement Protocol "TIP-45" it is mentioned that matching clients to appropriate care represents a challenge. Given the wide variety of settings and the unique needs of the individual person, establishing criteria that take into account all the possible needs of those receiving treatment services is an extraordinarily complex task. Addiction medicine has sought to develop an efficient system of care that matches patients' clinical needs with the appropriate care setting in the least restrictive and most cost effective manner, American Society of Addiction Medicine (ASAM) in the Patient Placement Criteria.

ASAM criteria are being adopted extensively on the basis of their face validity, though their outcome validity has yet to be clinically proven. The ASAM guidelines are to be regarded as *a work in progress*, as their authors readily admit. As the federal government and current best practice models have yet to agree on a "set-in-stone" service definition it seems logical that defining uniform rates is, as is that which lends its definition to service placement, *a work in progress*.

It is my professional opinion spanning a 32-year career in the addiction and behavioral health field, that we have willingly not defined the unique, diverse, and culturally specific

needs of those we serve as final, unchangeable and uniform. Rather, we appreciate the fluidity, adaptability, flexibility and culturally respectfulness of providers, like myself, who meet the challenges of those who struggle with houselessness, poverty, food insecurity, addiction and mental health issues. To presume that arbitrary uniform rates linked to uniformly defined services can be managed by officials who may not be specialized in our knowledge base, and who may not have familiarity with rural practices that fully embrace traditional values, both spiritual and cultural, is a philosophy that is both impractical and western, discounting the very essence in health and wellness that is unique to Hawai'i.

Therefore, I respectfully suggest that this bill be set aside and that future discussion of this matter be all inclusive rather than exclusive with mindfulness that encompasses both modern and ancient wisdom. Such discussion could and should include a work group representing all island communities comprised of Kupuna, La'au Lapa'au, addiction and behavioral health providers, front line workers, physicians, managed care representatives, and consumers. Having a task force or work group could offer guidance along the lines that appear to be the intent of this bill.

Offered with humility, please accept this, my testimony opposing HB 541.

Shari Lynn, MEd, CSAC, CCS, CTS, CPS, CCJP, NCAC-II, SAP, CSAPA, ICADC

BIG ISLAND SUBSTANCE ABUSE COUNCIL
Inspiring Change, Reclaiming Lives

"Inspiring individuals to reclaim and enrich the lives by utilizing innovative resources and harnessing th strengths within each person

Kea'au
Administrative Office
16-179 Melekahiwa Street
Kea'au, Hawai'i 96749
P. (808) 969-9994
F. (808) 969-7570

Hilo
Outpatient Treatment
297 Waianuenue Avenue
Hilo, Hawai'i 96720
P. (808) 935-4927
F. (808) 969-7570

Kona
Outpatient Treatment
74-5555 Kaiwi Street, F4
Kailua-Kona, HI 96740
P. (808) 322-3100
F. (808) 333-0548

Dr. Hannah Preston-Pita
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February 1, 2021

Aloha Representative Ryan Yamane, Representative Adrian Tam,

I am writing this letter in regards to HB541. The Big Island Substance Abuse Council (BISAC) opposes HB541 and highly recommends a Task Force. The Task Force will provide a platform for thoughtful discussion form various experts. This platform will provide a clearer picture of behavioral health spending across payers and services Mahalo for allowing us the opportunity to provide testimony.

Sincerely,

Hannah Preston-Pita, Psy,D. Ed, D. CSAC, NCTTP
Chief Executive Officer

CC: BISAC's Quality Assurance Manager

HB-541
Submitted on: 2/1/2021 8:53:36 AM
Testimony for HHH on 2/2/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Abby Paredes	Poailani Inc	Oppose	No

Comments:

Po'ailani Inc. has been providing essential mental health and substance use treatment on Oahu since 1976. We are in support of HSAC's recommendation of a Task Force which would allow those of us with the history and expertise within our field to come to the table and be a part of the discussion that will directly impact the people within our communites. We are respectfully asking to be a part of these changes.

Respectfully,

Abby Paredes, CEO

Po'ailani Inc.

HB-541
Submitted on: 1/31/2021 10:10:15 PM
Testimony for HHH on 2/2/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melanie Boehm	Individual	Oppose	No

Comments:

We need more discussion and planning. The ramifications of this seem dramatic and perhaps more input and inclusive dialogue from various experts or other stakeholders who would be affected by this would be wise moving forward.

HB-541
Submitted on: 2/1/2021 8:16:07 AM
Testimony for HHH on 2/2/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ray Ogai	Individual	Oppose	No

Comments:

Aloha committee members,

I appreciate the intent and purpose of this bill. I oppsed this bill as it is written. I am unclear on the details regarding the noted fragmentation in monitoring outcomes and inequity in payment related to the services provided. I understand each provider provides programs/services that compare and contrast which allows clients/patients to seek a program/service that will meet their needs when they need it.

It is unclear to me how establishing uniform performance measures, sharing of rates, and creating a state payor committee helps clients/patients needing services to reach their full potential as individuals and families. Rather, I could potentially see harm to clients/patients created should there be a change in performance measures and rates which then could create multiple providers providing the same service/programs. I would support a step to include more input from and discussion with providers to be considered for addressing the issues/problems noted.

Thank you,

-Ray O.

LATE

WRITTEN TESTIMONY FROM THE
PERSONAL DESK OF VICTORIA FAN

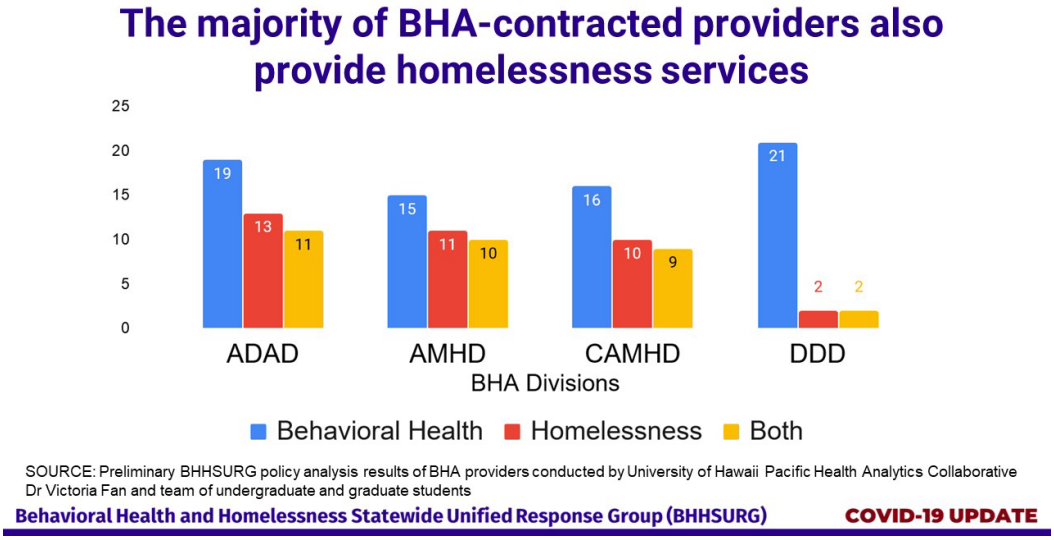
ON THE FOLLOWING MEASURE:
H.B. 541, RELATING TO HEALTH.

BEFORE THE
HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES & HOMELESSNESS (HHH)

SUBMITTED: January 31, 2021

Policy analysis conducted at the University of Hawaii Pacific Health Analytics Collaborative found that the majority of behavioral health providers contracted by the Department of Health Behavioral Health Administration also reported providing homelessness services. See figure 1 below. In this fragmented payment landscape, any given provider of such behavioral health or homelessness services may be contracted multiple times with the State of Hawaii for services that may be complementary but may also be uncoordinated or duplicative. Current trends in health care financing and payment are moving towards greater integration and recognition of the social determinants of health. Act 155(2014), codified as HRS §226-20, emphasizes the importance of addressing social determinants of health in order to improve the access to and quality of care as well as to control costs of care provided to these vulnerable populations. Patients served by health services, human services, criminal justice, and housing sectors have very high public services costs[1]. To begin to address these systemic challenges, a systems approach is required to align and enhance the continuum and system of care through greater coordination of state agency payors. By aligning contracts and payment schedules with potentially shared performance metrics and evaluation methodologies across state agencies, providers may not only experience greater predictability of financing but also lower fragmentation and administrative burden and greater alignment to performance and enhanced quality of care for the patients that they serve.

Figure 1. The majority of BHA-contracted providers also provide homelessness services



[1]Mersereau E, Boyer KE, Fan VY, Holmes JR, Yamaguchi C, Abe AM, Hong S, Wang C, Curtis AB, Sutton Y. COVID-19 Temporary Quarantine and Isolation Center: A Proof of Concept for Behavioral Health Crisis Stabilization Centers. Behavioral Health and Homelessness Statewide Unified Response Group White Paper. Hawai'i State Department of Health Behavioral Health Administration, Honolulu, HI: May 28, 2020. Consultative Draft, Version 1.0. https://health.hawaii.gov/bhhsurg/tqic/