



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Health  
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By  
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And  
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### HB 2481 – RELATING TO HEALTH

Chair Belatti, Vice Chair Creagan and members of the committee:

Thank you for the opportunity to provide testimony on HB 2481. We appreciate the opportunity to testify in strong support of HB 2481 intended to promote accessibility to quality health care to the people of Hawai'i at a reasonable cost.

We request that the bill be amended to specifically name the CSS Social Sciences Research Institute (SSRI) Pacific Health Informatics Center as the host of the "University of Hawai'i data center" described in SECTION 2.b.

As the Dean of the College of Social Sciences and an economist, I have also been personally aware of the APCD from many conversations over the past two years with Dr. Kameoka, who has been a Principal Investigator on many health related grants from the National Institutes of Health and other federal agencies; and, Dr. Okamura and Christina Higa who are the Principal Investigators on the agreement between the State of Hawai'i and the University of Hawai'i and funded through the Center for Consumer Information and Insurance Oversight (CCIO) of the Centers for Medicare and Medicaid Services (CMS).

The CSS-SSRI has significant capacity, expertise, and track record to serve as the State of Hawai'i health data repository. CSS-SSRI will develop the Pacific Health Informatics Center (PHIC) for this purpose. CSS-SSRI currently serves as the data repository for the Commonwealth of the Northern Mariana Islands (CNMI) through their Telecommunications and Social Informatics (TASI) research program, under the direction of Dr. Norman Okamura, Director. CSS-SSRI also runs the Telehealth Resource Center. CSS-SSRI has analytical expertise in data analytics and economic analyses through the University of Hawai'i Economic Research Organization (UHERO), of which Dr. Konan is a founding member, as well as a network of scholars with relevant expertise. We would be honored to undertake the responsibilities set forth in HB 2481.

We understand the importance of claims data to the State of Hawai'i. We are aware that the Health Committees of both the Senate and the House of Representatives value an All Payer Claims Database (APCD) to health care and have held joint informational meetings on the subject over the years. We respect that the Health Committees are fully aware of importance of an APCD to understanding the cost of care, quality of care, population health, health disparities, health care service utilization and gaps, and oversight of health insurance premiums and Medical Loss Ratios in Hawai'i. We too believe in the importance of data to improving care, population health, identifying issues with access to care, and to lessen the cost of care through actionable information and insight into health care.

We believe that the information is important to the State of Hawai'i not only because health matters, but also because the State is a major funder of health care programs and services; and because the costs of health care continue to rise for state and county governments and employees, the State Medicaid program, the Hawai'i Health Systems Corporation, and the Department of Health. Data on the conditions and costs of care is critically important to understanding how the state expends resources for health care.

There are several reasons why the UH College of Social Sciences within the University of Hawai'i is positioned to support both the data management and research.

First, the UH TASI works with payer/provider claims data. UH TASI has developed this experience by assisting health care providers in Commonwealth of the Northern Mariana Islands and Guam to implement the RPMS Electronic Health Record Systems (EHR) and electronically billing with payers such as CMS and Aetna. UH TASI is intimately familiar with electronic transactions and data structures of the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act (HIPAA) Designated Standards Management Organizations (DSMOs) for claims data.

UH TASI is collaborating with the State Enterprise Technology Services (ETS) on the Hawai'i All-Payer Claims database. Within the UH TASI research program, an organized unit of the Social Science Research Institute, a program we call the Health Care Cost, Value, and Quality Project has been established to analyze retrospective claims data.

UH TASI is also assisting the CNMI Medicaid Agency to establish a claims data repository and to analyze Medicaid claims data for the CNMI Medicaid program for the same purposes. UH TASI in the CNMI is also working on a clinical data repository from the EHR system that includes a hospital, HRSA Section 330 Community Health Center, remote island clinics, and the Division of Public Health. The integration of clinical data will not only enable the understanding of interventions and costs, but also the outcomes of services. Please see the endorsements of the CNMI and Guam Departments of

Public Health and Healthcare Services in having the UH TASI receive Research Identifiable Files (RIF) data for Medicare populations in these territories.

Second, the UHM College of Social Sciences firmly supports and is committed to the objective of providing information to the many stakeholders, including consumers, policymakers, government agencies, and businesses. The UH plan is not only to provide information in the form of data briefs and reports, but also through a web portal that will enable access to information.

Third, the Health Care Cost and Value Project of the UH TASI Research Program within the Social Science Research Institute (SSRI) is also well-positioned to undertake such work with integrity and independence. The statutory requirements for a “Data Center” is clear in its directive that there be no conflicts of interest in the analysis and reporting of data. Specifically, the statute states that:

SEC. 1003. ENSURING THAT CONSUMERS GET VALUE FOR THEIR DOLLARS.

To ensure that there are no conflicts of interest in the analysis or reporting of the data, Section 2794 of the U.S. Public Health Service Act requires that the data center have no conflicts of interest.

“(2) Conflicts of interest.

A center established under subsection (c)(1)(C) shall adopt by-laws that ensures that the center (and all members of the governing board of the center) is independent and free from all conflicts of interest. Such by-laws shall ensure that the center is not controlled or influenced by, and does not have any corporate relation to, any individual or entity that may make or receive payments for health care services based on the center’s analysis of health care costs.”

CMS Guidance

“To clarify, there are statutory requirements that apply to Data Centers established or enhanced through the Rate Review Grant Program. Specifically, section 2794 of the Public Health Service (PHS) Act requires that Data Centers must be located at academic or other non-profit institutions.

...

In addition, Data Centers must adopt by-laws that comply with the conflict of interest requirements established by section 2794 of the PHS Act. Appendix F of the Funding Opportunity Announcement contains new guidance in order to assist states seeking to comply with the requirements established by section 2794.”

The UH completely supports the need for independence in the data analysis as provided for in Section 2794. The UH believes that it is best positioned to provide such

independent analysis to *both involve and to inform* the many stakeholders. The UH has explicit conflict of interest requirements that apply to all faculty and staff. Finally, all faculty and staff are required to annually certify that there are no conflicts of interest.

Fourth, with respect to the types of healthcare analytics that will be conducted, there are two program components: Standard Analytics and Special Studies.

**Standard Analytics:** The UH TASI will undertake a standard set of healthcare analytics that replicate useful studies and methodologies from the Centers for Medicare and Medicaid Services, the Agency for Healthcare Research and Quality (AHRQ), the Centers for Disease Control and Prevention, and the APCDs and academic institutions that share their methodologies and algorithms. The standard analytics will be in the form of reports that are generated on an ongoing basis by UH TASI.

**Special Studies:** To encourage and ensure that the data is capable of being used by the many stakeholders, the UH plan is to establish Working Groups (WGs) that are open to participation by all stakeholders.

The members of the WGs will be asked to collaboratively:

- Identify and define health matters that can be informed through APCD data;
- Develop and review the analytic methodology from the other federal agencies and APCDs (e.g. indicators, measurements) for cost, health conditions, quality, services, and the like;
- Develop and test the statistical and/or other software algorithms with test data;
- Review the integrity of the algorithm; and,
- Once the algorithms have been tested and evaluated, UH TASI will execute the algorithms against the encrypted full database.

The approach will help to ensure that there is integrity and openness in the process. It will also ensure the security of the data.

The reports and website will be valuable to the stakeholders; and, credit will be given to individuals who invest effort and time in the healthcare analytics.

To further specific studies of interest to stakeholders, the State ETS and UH TASI has developed a process for the WGs to work with the data. The ETS and UH TASI plan to establish Working Groups that will collaborate to:

Finally, it is important to note the UH is both committed and legally bound by the HIPAA to protect the privacy and to safeguard ePHI data. UH is a Business Associate of the State of Hawai'i ETS; the Commonwealth Healthcare Corporation and State Medicaid Agency of the CNMI; the Guam Department of Public Health and Social Services and the Guam Northern and Southern Region Community Health Centers. UH TASI

complies with the Health Insurance Portability and Accountability Act and will protect the confidentiality of the PHI. UH TASI systems and networks complies with HIPAA; and, as appropriate, the recommendations of the National Institute for Standards and Technology (NIST).

In the past year, the physical and technical security safeguards of UH TASI were enhanced by moving the primary Data Center servers for ePHI systems to the UH Information Technology Services (ITS) Data Center. UH TASI has prepared a System Security and Data Management Plan to meet the requirements of the agreement with the State ETS. UH TASI has also submitted a Data Management Plan for the CMS as well.

The University of Hawai'i stands ready to support HB2481 Related to Health and firmly believes in its importance to transform healthcare in State of Hawai'i.