
A BILL FOR AN ACT

MAKING AN APPROPRIATION FOR HANA HEALTH.

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

1 SECTION 1. The legislature finds that Act 263; Session
2 Laws of Hawaii 1996, authorized the transfer of the Hana Medical
3 Center to Hana Health (formerly known as Hana Community Health
4 Center) in 1997, with a guarantee to continue providing needed
5 financial support for its essential medical programs. The Hana
6 community would not have accepted this transfer without the
7 commitment to ensure the center's continued viability.

8 The legislature further finds that Hana, Maui is one of the
9 most isolated areas in the State. During the rainy season from
10 October to March, the frequent storms often wash out the
11 roadways and disrupt electricity and telephone services. Hana
12 town is fifty-seven miles from Wailuku. The trip takes
13 approximately two hours along a single lane road with six
14 hundred seventeen turns and fifty-six one-lane bridges. The
15 district is made up of small, isolated settlements scattered
16 over two hundred thirty-three square miles. Many of the
17 villages are located a minimum of forty-five minutes from the
18 main town of Hana. A number of homes in the district do not



1 have basic infrastructure such as electricity, telephones, or
2 running water.

3 Hana Health provides a hybrid of services due to Hana's
4 relative isolation. Unlike most primary care clinics, Hana
5 Health must also coordinate activities with the ambulance
6 service and provide assistance in stabilizing patients with life
7 threatening illness or traumatic injury. These services are
8 required twenty-four hours a day because the center is the only
9 full service health care provider in the district. The
10 coordination of emergency services and provision of life support
11 care is absolutely essential to the residents of Hana and the
12 six hundred thousand tourists who visit annually.

13 Built in 1965, the current medical center is more than
14 forty years old and its programs have outgrown the four thousand
15 square foot facility. Six trailers have been leased and located
16 on the grounds to house behavioral/mental health and wellness
17 programs, acupuncture, lomilomi services, administrative
18 offices, and farm support. Programs are often conducted in
19 tents outside the trailers and toilet facilities are inadequate.
20 Board and staff meetings are held in a tent because there are no
21 conference rooms. A rapidly deteriorating seventy-five-year-old
22 house is being used to house the nutrition center,



1 administrative office, and staff residence. A second house is
2 occupied by paramedics who provide urgent care and
3 transportation in partnership with Hana Health. Plumbing
4 requires constant repair, existing cesspools need to be replaced
5 with septic tanks, electricity is inadequate, and there is no
6 staff lunch room or space for storage. Currently, there is no
7 senior housing in the Hana district although many of Hana's
8 seniors live in geographic and social isolation.

9 When Hana Health operated as the Hana Medical Center as
10 part of the State's community hospitals system, it required a
11 subsidy of approximately \$1,500,000 annually, not including the
12 administrative functions provided by the Maui Memorial Hospital.
13 Immediately upon transfer to the private, not-for-profit Hana
14 Health in 1997-1998, the legislature reduced its appropriation
15 for the center's operation to \$1,064,000. This was a thirty per
16 cent reduction in funding in Hana Health's first year of
17 operation. In fiscal year 1998-1999, the legislature
18 appropriated \$800,000 for the operation of the center. This was
19 \$264,000 less than the amount appropriated the year before, or a
20 second reduction of twenty-five per cent in the center's second
21 year of operation. In the following two years, the legislature
22 appropriated \$750,000 for operations, a further reduction of six



1 per cent during the center's third year of operation. In fiscal
2 year 2003-2004, the legislature reduced the appropriation to
3 \$700,000, but increased it back to \$750,000 for fiscal year
4 2004-2005. Finally, in fiscal years 2005-2006 and 2006-2007,
5 the legislature increased the appropriation to \$1,000,000. This
6 is still thirty per cent less than the \$1,500,000 provided to
7 the original Hana Medical Center, and does not account for cost-
8 of-living increases that have taken place over the past nine
9 years.

10 Hana Health has demonstrated its commitment to the people
11 of the Hana district and its ability to generate funds from a
12 variety of funding sources to start up new and innovative
13 programs. Despite this, Hana Health will always need state
14 support to fund core medical services. This is a fact that has
15 been recognized by the administration and the legislature prior
16 to privatization.

17 The purpose of this Act is to appropriate funds to Hana
18 Health to allow it to continue its current level of operations
19 and to further develop its capacity to meet the ongoing needs of
20 this isolated community.

21 SECTION 2. There is appropriated out of the general
22 revenues of the State of Hawaii the sum of \$5,000,000 or so much



1 thereof as may be necessary for fiscal year 2008-2009 for the
2 following at Hana Health:

- 3 (1) Commercial kitchen construction/
4 equipment installation \$1,750,000
- 5 (2) Independent senior housing design and
6 construction, including home-based
7 dialysis, adult day care, and respite
8 services \$2,500,000
- 9 (3) Medical facility upgrade/expansion
10 design documents \$ 750,000

11 The sum appropriated shall be expended by the department of
12 health for the purposes of this Act.

13 SECTION 3. This Act shall take effect on July 1, 2008.

14

INTRODUCED BY: Melo Canoe

Rep. Hershman
[Signature]

JAN 23 2008



Report Title:

Hana Health; Appropriation

Description:

Appropriates \$5,000,000 for Hana Health.

