# HB2164

# HD1

Measure Title:
RELATING TO THE CANCER RESEARCH SPECIAL FUND.

Report Title:
University of Hawaii; Cancer Research Center of Hawaii

Description:
Increases the sources of revenue available to support the Cancer Research Center of Hawaii. Allows moneys in cancer research special fund to be used for capital improvements. (HB2164 HD1)

Companion:
SB2673

Introducer(s):
CHANG, BERG, BERTRAM, HANOHANO, HAR, HERKES, ITO, KARAMATSU, LEE, MAGAOAY, MORITA, NISHIMOTO, TSUJI, Brower, Rhoads, Sagum, Wakai

Current Referral:
HTH/EDU, WAM

# UNIVERSITY OF HAWAI'I SYSTEM
Legislative Testimony

Testimony Presented Before the
Senate Committee on Health and Committee on Education
March 17, 2008 at 1:00pm
by
Howard Todo
Vice President for Budget & Finance/CFO, University of Hawai'i

HB 2164, HD1 – RELATING TO THE CANCER RESEARCH SPECIAL FUND

Chairs Ige and Sakamoto, Vice Chairs Fukunaga and Tokuda, and Members of the Committees:

This bill amends sections 245-15, HRS, by authorizing that deposits to the Hawaii cancer research special fund can also be used for capital expenditures and amends section 304A-2168, HRS, relating to the Hawaii cancer research special fund by allowing the University to deposit all fees, charges, and other moneys received in conjunction with Cancer Research Center of Hawaii (CRCH) programs or through transfers from other accounts or funds into this fund. Funds deposited in the fund would be expended for operating expenses and capital expenditures.

The proposed amendment will provide CRCH with the ability to develop other sources of revenue to finance its program requirements. The increasing number of cancer patients has amplified the need for expanded cancer research in Hawai'i. The additional authority will provide an opportunity to advance the financial status of the CRCH.

The CRCH's primary source of revenue to fund its operations will continue to be the cigarette tax. Other sources of revenue are needed to ensure that the Center will be adequately funded. It is envisioned that other revenues can be derived from cancer center programs, and that these revenues would be used to further cancer research and care in Hawai'i.

Passage of this measure will serve to increase the sources of revenue available to support the CRCH. Such other revenues derived from the center will be used to supplement State funds.

The University strongly supports passage of this bill.

Thank you for the opportunity to testify on this measure.

L E G I S L A T I V E

# TAXBILLSERVICE

126 Queen Street, Suite 304 TAX FOUNDATION OF HAWAII Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Disposition of revenues

BILL NUMBER: HB 2164, HD-1

INTRODUCED BY: House Committee on Finance

BRIEF SUMMARY: Amends HRS section 245-15 to provide that the tobacco tax moneys paid to the Hawaii Cancer Research Special fund shall also be used for capital improvements.

EFFECTIVE DATE: Upon approval

STAFF COMMENTS: The legislature by Act 316, SLH 2006, increased the tax on cigarettes and provided that any moneys collected in excess of what would have been collected at the tax rate of 7 cents per cigarette are to be distributed to various special funds, one of which is the Hawaii Cancer Research Special Fund. The proposed measure expands the use of the special fund to include capital improvements.

It should be remembered that since the revenues for the Hawaii Cancer Research Special fund are dependent of the amount of cigarettes sold, if sales of cigarettes go down, so will the revenues deposited into the special fund resulting in less available revenue for research and the operating expenses of the Cancer Research Center of Hawaii including capital improvements, as this measure proposes. Also, it is questionable whether this funding source is reliable, especially if the quit smoking programs achieve their goal. Thus, it would be preferable to replace the earmarking of tobacco tax revenues and provide a direct appropriation to the Cancer Research Center of Hawaii to ensure adequate funding for its operations and research programs, including capital improvements.

Digested 3/17/08

# HB2139

# HD2

Measure Title:
RELATING TO ANATOMICAL GIFTS.

Report Title:
Anatomical Gifts

Description:
Enacts the Revised Uniform Anatomical Gift Act. (HB2139 HD2)

Package:
The Filipino Caucus

Introducer(s):
MIZUNO, AWANA, MAGAOAY, RHOADS

Current Referral:
HTH, JDL

Organ Donor Center
of Hawaii

1149 Bethel Street, Suite 801 • Honolulu, HI 96813

**THE SENATE**
**THE TWENTY-FOURTH LEGISLATURE**
**REGULAR SESSION OF 2008**
**COMMITTEE ON HEALTH**
Monday, March 17, 2008
1:15 PM Room 016, State Capitol

# Testimony in SUPPORT of HB2139, HD2

By

**Stephen A. Kula, Ph.D., NHA**
**Executive Director, Organ Donor Center of Hawaii**

My name is Dr. Steve Kula; I am the Executive Director of the Organ Donor Center of Hawaii. I am here to give testimony in **STRONG SUPPORT of HB2139, HD2**. This bill, if enacted, would make conforming changes to Chapter 327 Hawaii Revised Statutes. The Uniform Anatomical Gift Act ("UAGA") law among the various states is no longer uniform and harmonious, and the diversity of law is an impediment to transplantation. Recent technological innovations have increased the types of organs that can be transplanted, the demand for organs, and the range of individuals who can donate or receive an organ, thereby increasing the numbers of organs available each year and the number of transplantations that occur each year. Nonetheless, the number of deaths for lack of available organs also has increased.

Transplantation occurs across state boundaries and requires speed and efficiency. Thus, uniformity of state law is highly desirable. Furthermore, the decision to be a donor is a highly personal decision of great generosity and deserves the highest respect from the law. Because current state anatomical gift laws are out of harmony with both federal procurement and allocation policies and do not fully respect the autonomy interests of donors, there is a need to harmonize state law with federal policy as well as to improve the manner in which anatomical gifts can be made and respected.

We know that these changes to the UAGA can not fully supply the need for organs, but any change that could increase the supply of organs and thus save lives is an improvement.

Thank you for your consideration.

Organ Donor Center
of Hawaii

1149 Bethel Street, Suite 801 • Honolulu, HI 96813

March 17, 2008

**Before**
**Honorable David Ige, Chair**
**Honorable Carol Fukunaga, Vice-Chair**
**Senate Committee on Health**

Public Hearing – 1:00PM Monday, March 17, 2008 - Conference Room 016

**RE:** **Testimony in strong support of HB 2139 – Relating to Anatomical Gifts**
Enacts the Revised Uniform Anatomical Gift Act

**The Honorable David Ige, Chair**
**Honorable Carol Fukunaga, Vice-Chair**
**and members of the committee:**

**I applaud the introduction of HB 2139 – Relating to Anatomical Gifts and I am submitting testimony in full support of the passage of this measure.**

My name is Tony L. Sagayadoro, Program Coordinator of the Minority Organ Tissue Transplant Education Program (MOTTEP), a minority outreach program of the Organ Donor Center of Hawaii. MOTTEP is also a founding member of the Hawaii Coalition on Organ Donation.

On behalf of the Advisory Board Member of MOTTEP, we fully support the passage of HB 2139 that revises the earlier 1968 and 1987 Uniform Acts, which are the basis for organ donation throughout the United States. UAGA 2006 is an important update to reflect the current system of allocations of organ for transplantation and to help increase available organs and tissue for transplantation to saves the lives of patients in need of organ transplants.

Minority Organ Tissue Transplant Education Program (MOTTEP) educational efforts are now making a difference. The increase in Filipino donors in the past so many years is a validation that public education works and more lives are saved due to this effort. More Filipino families now have been choosing to donate than those who declined. This is very significant that Filipinos is now one of the population groups having a "positive" consent rate compared to the early stage of the program.

We fully believe in HB 2139 will produce positive results like other states that had enacted the 2006 Uniform Anatomical Gift Act.

**We urge that you give HB 2139 your favorable consideration. Thank you.**

Sincerely,

Tony L. Sagayadoro

***"Thousands of candles can be lighted from a single candle, and the life of the candle will not be shortened. Happiness never decreases by being shared."*** Buddha, Indian philosopher & religious leader

# TESTIMONY OF THE COMMISSION TO PROMOTE UNIFORM LEGISLATION

# ON H.B. No. 2139, H.D. 2

## RELATING TO ANATOMICAL GIFTS.

**BEFORE THE SENATE COMMITTEE ON HEALTH**

**DATE:** Monday, March 17, 2008, at 1:00 p.m.
Conference Room 016, State Capitol

**PERSON TESTIFYING:** ELIZABETH KENT
Commission to Promote Uniform Legislation

C:/cpuleg.ANATOMICAL GIFTS.tes.3/17/08 E-MAIL to HTHInPerson@capitol.hawaii.gov.

---

Chair Ige and Members of the Senate Committee on Health:

My name is Elizabeth Kent and I am one of Hawaii's Uniform Law Commissioners. Hawaii's uniform law commissioners support the passage of House Bill No. 2139. This is a version of the Uniform Anatomical Gifts Act that includes some modifications that address concerns raised by the Organ Donor Center of Hawaii.

Despite significant technological improvements and numerous publicity campaigns over the past several decades, the substantial shortage for organs, tissues, and eyes for life-saving or life-improving transplants continues. This shortage persists despite efforts by the federal government and every state legislature to improve the system. Without changing the basic concept that an individual may execute a document of gift to donate organs, this bill would further improve the system for allocating organs to transplant recipients.

This bill revises and updates the original Uniform Anatomical Gift Act that Hawaii enacted twenty years ago. The scope of the bill is limited to donations from deceased donors as a result of gifts made before or after their deaths.

Similar bills updating the earlier version of the Uniform Anatomical Gift Act have been adopted in approximately 20 states (including California, Utah, and Virginia). This newer version of the Uniform Anatomical Gift Act was endorsed by numerous professional organizations, including the American Academy of Ophthalmology; American Association of Tissue Banks; American Medical Association; and the Association of Organ Procurement Organizations. Attached is a brief summary of the Revised Uniform Anatomical Gift Act for your information.

We urge your support of this bill.

Uniform Law Commissioners
The National Conference of Commissioners on Uniform State Laws

SUMMARY

# Uniform Anatomical Gift Act (2006)

Every hour another person dies waiting for an organ transplant. Despite significant technological improvements and numerous publicity campaigns over the past several decades, the substantial shortage for organs, tissues and eyes for life-saving or life-improving transplants continues. This shortage persists despite efforts by the federal government and every state legislature to improve the system. The Uniform Law Commission (ULC) continues to be a leader in developing the law in the organ transplant arena, and it has promulgated the **Uniform Anatomical Gift Act** (2006) (UAGA) to further improve the system for allocating organs to transplant recipients.

The original Uniform Anatomical Gift Act was promulgated in 1968, shortly after Dr. Christian Barnard's successful transplant of a heart in November 1967. It was promptly and uniformly enacted in every jurisdiction. The 1968 UAGA created the power, not yet recognized at common law, to donate organs, eyes and tissue, in an immediate gift to a known donee or to any donee that might need an organ to survive. In 1987, the ULC revised the 1968 UAGA to address changes in circumstances and in practice. Only 26 states enacted the 1987 UAGA, resulting in non-uniformity between those states and the states that retained the 1968 version. Subsequent changes in each state over the years have resulted in even less uniformity. In addition, neither the 1968 nor the 1987 UAGA recognizes the system of organ procurement that has developed partly under federal law. The 2006 UAGA is an effort to resolve any perceived inconsistencies thereby adding to the efficiency of the current system.

The scope of the 2006 UAGA is limited to donations from deceased donors as a result of gifts made before or after their deaths. Organ donation is a purely voluntary decision that must be clearly conveyed before an individual's organs are available for transplant.

The current mechanism for donating organs is a document of gift that an individual executes before death. The 2006 Act further simplifies the document of gift and accommodates the forms commonly found on the backs of driver's licenses in the United States. It also strengthens the power of an individual not to donate his or her parts by permitting the individual to sign a refusal that also bars others from making a gift of the individual's parts after the individual's death. Importantly, the 2006 UAGA strengthens prior language barring others from attempting to override an individual's decision to make or refuse to make an anatomical gift.

If an individual does not prepare a document of gift, organs may still be donated by those close to the individual. Another achievement of the 2006 UAGA is that it allows certain individuals to make an anatomical gift for another individual during that individual's lifetime. Health-care agents under a health-care power of attorney and, under certain circumstances, parents or a guardian, have this power. The donor must be incapacitated and the permission giver has to be the individual in charge of making health-care decisions during the donor's life. Second, the 2006 UAGA adds several new classes of persons to the list of those who may make an anatomical gift for another individual after that individual's death. The adoption of clear rules and procedures, combined with the definition of "reasonably available," provide clarity to the decision-making process. If more than one member of a class is reasonably available, the donation is made only if a majority of members support the donation. Minors, if eligible under other law to apply for a driver's license, are empowered to be a donor. These seemingly minor changes will provide more opportunities for donation than currently exist today.

The 2006 UAGA encourages and establishes standards for donor registries and better enables procurement organizations to gain access to documents of gift in donor registries, medical records, and records of a state motor vehicle department. This access will make it much easier for procurement organizations to quickly determine whether an individual is a donor. And, under Section 8 of the 2006 UAGA, which strengthens the language regarding the finality of a donor's anatomical gift, there is no reason to seek consent from the donor's family because the family has no legal right to revoke the gift. The practice of procurement organizations seeking affirmation even when the donor has clearly made a gift results in unnecessary delays in procuring organs and the occasional reversal of the donor's wishes. One exception is if the donor is a minor and the parents wish to revoke the gift. The 2006 UAGA acknowledges that the decision to donate organs, tissues and eyes is highly personal and deserves respect from the law.

The tension between a health-care directive requesting the withholding or withdrawal of life-support systems and a donor's wish to make an anatomical gift is resolved by permitting, prior to the removal of life-support systems, the administration of measures necessary to ensure the medical suitability of the donor's organs.

The 2006 UAGA provides that a general direction in a power of attorney or health-care directive that the patient does not wish to have life prolonged by the administration of life-support systems should not be construed as a refusal to donate. The 2006 UAGA provides numerous default rules for interpreting a document of gift if it lacks specificity regarding the persons to receive the gift or the purposes of the gift. One important rule, not present in the prior acts, is the prioritization of transplantation or therapy over research or education, when a document of gift sets forth all four purposes but fails to establish a priority.

Another improvement that the 2006 UAGA achieves is the clarification and expansion of rules relating to cooperation and coordination between procurement organizations on the one hand and coroners and medical examiners on the other. Unlike prior law, the 2006 UAGA prohibits coroners and medical examiners from making anatomical gifts except in the rare instance when the coroner or medical examiner is the person with the authority to dispose of the decedent's body. The 2006 UAGA complies with the policy guidelines articulated by the National Association of Medical Examiners.

The 2006 UAGA also addresses widely reported abuses involving the intentional falsification of a document of gift or refusal, to obtain a financial gain by selling a decedent's parts to a research institution. A person who falsifies a document of gift for such a purpose is guilty of a felony. Alternatively, the 2006 UAGA provides that a person acting in accordance with the act or with the applicable anatomical gift law of another state, or that attempts to do so in good faith, is not liable for his or her actions in a civil action, criminal prosecution or administrative proceeding.

Finally, the last section provides for repeal of the prior UAGA, whether it is the 1968 or 1987 version. Many states, however, have related laws on anatomical gifts that should be retained, such as donor awareness programs, Transplant Councils, and licensing provisions for procurement organizations and health care providers. However, it is highly desirable that the core provisions of the 2006 UAGA be uniform among the states. Little time is available to prepare, transport across state lines, and transplant life-saving organs, let alone to assess and comply with significant variations in state law.

The anatomical gift law of the states is no longer uniform, and diversity of law is an impediment to transplantation. Harmonious law through every state's enactment of the 2006 UAGA will help save and improve lives. It should be enacted in every state as quickly as possible.

March 17, 2008

Senator David Y. Ige, Chair
Senator Carol Fukunaga, Vice-Chair
Committee on Health
Hawaii State Capitol
Conference Room 016
Honolulu, Hawaii 96813

RE: H.B. No. 2139 – Enacts the Revised Uniform Anatomical Act

Dear Chairman Ige and Vice-Chair Fukunaga and members of the State Senate Health Committee,

I am Glen Hayashida, CEO, National Kidney Foundation of Hawaii (NKFH) and member of the Hawaii Coalition on Donation. Thank you for the opportunity to give testimony in support of HB 2139 with the proposed amendment to Section 327 – U as submitted by the Organ Donor Center of Hawaii.

The original Uniform Act was adopted in 1968, to provide standard methods to make organ, eye, and tissue donations after death for the purposes of transplantation, therapy, research, or education. In 1987, some 26 states adopted a new version of UAGA; however, because the other states did not adopt the changes, the Act was no longer considered uniform. The National Commissioners on Uniform State Laws developed the proposed UAGA in an effort to resolve any inconsistencies between the states, thereby making the system more effective.

The 2006 Uniform Anatomical Gift Act (2006) attempts to resolve many issue that have been concerns under current law.

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Phone: (808) 737-1719 • Fax: (808) 737-1733 • www.donatelifehawaii.org

- Insures that individual choice regarding organ donation will be respected by barring persons from amending or revoking the anatomical bill;
- Allows for an individual to refuse to make an anatomical gift;
- Facilitates cooperation between coroners and medical examiners;
- Permits emancipated minors and minors eligible to apply for driver's licenses to make an anatomical gift. If an emancipated minor does before the age of 18; the parent or guardian would be permitted to revoke the gift;
- Expands those who are permitted to make an anatomical gift on behalf of others; and
- Expands methods for making an anatomical gift, i.e. donor registries, state identification cards, donor cards, and driver's licenses, and also allows for oral gifts.

However, it must be pointed out that there is tension between a health-care directive requesting the withholding or withdrawal of life-support systems and a donor's wish to make an anatomical gift. UAGA resolves this tension by permitting, prior to the removal of life-support systems, the administration of measures necessary to ensure the medical suitability of the donor's organs. The 2006 UAGA provides that a general direction in a power of attorney or health-care directive that the patient does not wish to have life prolonged by the administration of life-support systems should not be construed as a refusal to donate.

The Revised UAGA (2006) poses challenges to the Patient Self-Determination Act (PSDA) embodied in advance health care directives and individual expression about the use of life support systems at the end-of life. The

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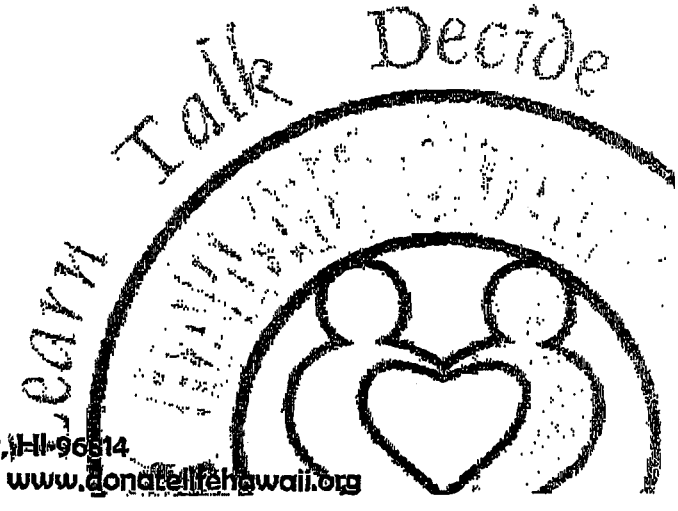
challenges are predicated on the UAGA revising the default choice to presumption of donation intent and the use of life support systems to ensure medical suitability of organs for transplantation. The default choice is given preference over the expressed intent in an individual's advance health care directive to withhold and/or withdraw life support systems at the end-of-life.

Due to this and other similar objections, meetings have been held to address this issue. Acceptable language has been developed as an amendment submitted by the Organ Donor Center of Hawaii. With this change in language to Section 327 – U, we support HB 2139 because this bill will save lives.

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# HB2519

# HD2

Measure Title:
RELATING TO HEALTH CARE.

Report Title:
Health Care; Loan Repayments; Stipends; Enterprise Zones ($)

Description:
Establishes the Hawaii Health Corps that will provide loan repayment and stipends for physicians and dentists who agree to work in health professional shortage areas and as first responders during civil defense and other emergencies. Expands the Enterprise Zone Business Tax Credit, general excise tax exemption, and other business incentives to include physicians and dentists who establish or maintain practices in areas designated as enterprise zones. Appropriates funds. (HB2519 HD2)

Package:
House Majority Caucus

Introducer(s):
GREEN, AWANA, BELATTI, BERG, BERTRAM, BROWER, CALDWELL, CARROLL, CHANG, CHONG, EVANS, HANOHANO, HAR, HERKES, ITO, KARAMATSU, LEE, LUKE, MAGAOAY, MANAHAN, MCKELVEY, MIZUNO, MORITA, NAKASONE, NISHIMOTO, B. OSHIRO, RHOADS, SAY, SHIMABUKURO, SONSON, TAKAI, TSUJI, WAKAI, WATERS, YAMANE, YAMASHITA, Sagum, Souki, Takamine

Current Referral:
HTH, WAM

LINDA LINGLE
GOVERNOR OF HAWAII

CHIYOME LEINAALA FUKINO, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

**SENATE COMMITTEE ON HEALTH**

**HB2519, HD 2, RELATING TO HEALTH CARE**

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

**March 17, 2008**
**1:00 PM**

**Department's Position:** The Department of Health (DOH) offers comments on Part II of this measure and defers to the Department of Business Economic Development and Tourism (DBEDT) and to the Department of Taxation on the remainder of the bill. DOH appreciates the intent of the bill but believes that the concepts proposed warrant further discussion and research about the best way to address statewide health care professional shortages with limited federal and state resources.

**Fiscal Implications:** The bill contains unspecified appropriations for the creation and implementation of the proposed Hawaii Health Service Corps Program. Details of this program need to be worked out to obtain a full estimate of its cost.

**Purpose and Justification:** Part II of this bill creates a new chapter in Hawaii Revised Statutes establishing the Hawaii Health Corps program designed to encourage physicians and dentists to serve in areas of the state where there is a shortage of these health professionals or in areas where there are relatively high numbers of uninsured patients. The DOH is tasked with administering this program that would provide loan repayment and stipends as incentives to work in health professional shortage areas (HPSAs) and obligate program participants to serve as first responders during civil defense and other emergencies.

This measure proposes intriguing ideas that potentially could work in Hawaii. We note that planning, designing, implementing and managing the comprehensive program outlined in this bill would require DOH to establish an entirely new division or office within the department with new staff positions and an as yet unquantified operational budget – a daunting task with so many competing priorities in a time of needed budget restraint.

The North Carolina State Loan Repayment Program (SLRP) employs a staff of up to 6 FTEs. Physicians and dentists participating in the North Carolina SLRP each receive $70,000 in loan repayment and a $35,000 bonus if they work in high need areas. The amount for this SLRP is legislated each year and the allocations for this North Carolina program are substantial. Hawaii will need to consider the amount of loan repayments in order to be competitive with other states to attract and retain physicians and dentists.

It takes time to implement a loan program. The department's 80% federal and 20% state funded environmental loan programs took 2-3 years to start, in part, because of the time involved to ensure program compliance with federal and state laws and regulations. (The department's environmental loan programs have a staff of 10 FTEs.)

The risk of lending should be researched. The department's environmental loans are given to county and state entities and thus such risk is reduced. Although HB2519, HD 2 specifies that the department administer the Hawaii Health Loan Repayment Program "in partnership with a financial institution whose operations are principally conducted in Hawaii" the percentage of pay back of such loans should be estimated.

We believe the interested parties should continue this conversation about how federal and state resources might be used to improve recruitment and retention of health care professionals in rural and/or underserved areas. The U.S. Department of Health & Human Services (DHHS), Health Resource Services Administration (HRSA) has a State Loan Repayment (grant) program (SLRP) that requires a

1:1 match from the state with the next grant period in 2009. More information on SLRP may be found at http://bhpr.hrsa.gov/interdisciplinary/stateloan.html. HRSA's National Health Service Corps (NHSC) has loan repayment http://nhsc.bhpr.hrsa.gov/join_us/lrp.asp and scholarship http://nhsc.bhpr.hrsa.gov/join_us/scholarships.asp programs that are worth exploring as well.

Thank you for the opportunity to testify on this interesting measure.

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR

KURT KAWAFUCHI
DIRECTOR OF TAXATION

SANDRA L. YAHIRO
DEPUTY DIRECTOR

STATE OF HAWAII
**DEPARTMENT OF TAXATION**
P.O. BOX 259
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510
FAX NO: (808) 587-1560

## SENATE COMMITTEE ON HEALTH

## TESTIMONY REGARDING HB 2519 HD 2
## RELATING TO HEALTHCARE

**TESTIFIER:** KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)
**DATE** MARCH 17, 2008
**TIME:** 1:00PM
**ROOM:** 016

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This measure seeks to allow qualifying businesses that provide medical and healthcare services to qualify for the tax benefits provided by the Enterprise Zone program administered by the Department of Business, Economic Development & Tourism.

The House Committee on Health made changes unrelated to the tax provision in this legislation.

The House Committee on Higher Education amended the bill by defecting the effective date and eliminating the appropriation amounts.

The House Committee on Finance passed the measure unamended.

The House of Representatives passed this measure on third reading.

The Department of Taxation (Department) takes **no position** on this measure, provides technical comments, and cites the revenue impact of this legislation. **The Department defers to the Department of Business, Economic Development & Tourism on the necessity of including these businesses within the current zones as a matter of policy.**

**NOT FACTORED INTO EXECUTIVE BUDGET**

The Department initially points out that this legislation has not been factored into the Executive Budget and has not been prioritized as a means of tax relief this legislative session.

**ENTERPRISE ZONES, GENERALLY**

Currently, the administration of Enterprise Zones to encourage economic development in distressed areas of the State has proven an effective partnership between the State and private enterprise. Given the current healthcare crises in underserved areas, this legislation's adopting of the Enterprise Zone model could prove useful in designating target areas to attract healthcare businesses where needed most.

**NO REFERRAL TO TAX SUBJECT MATTER COMMITTEE**

The Department also points out that this legislation did not receive a referral to the tax subject matter committee, the committee on Economic Development & Taxation. This measure's subject matters include both business concerns and taxation.

**REVENUE IMPACT**

Annual revenue loss is estimated at $2.8 million in FY 2009 (1/2 year impact from GET exemption), and $7.0 million in FY 2010 and thereafter. The general fund expenditures will increase by $300,000 in FY 2009.

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
DEPUTY DIRECTOR

# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Bldg., 250 South Hotel St., 5th Flr., Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
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Statement of
**THEODORE E. LIU**
**Director**
Department of Business, Economic Development, and Tourism
before the
**HOUSE COMMITTEE ON HEALTH AND**
**HOUSE COMMITTEE ON EDUCATION**

Monday, March 17, 2008
1:00 P.M.
State Capitol, Conference Room 016

in consideration of
**HB 2519 HD2**
**RELATING TO HEALTH CARE**

Chair Ige, Chair Sakamoto, Vice-Chair Fukunaga, Vice-Chair Tokuda and Committee members:

The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of SB 2519 HD2, which establishes and appropriates funds for the Hawaii Health Corps Program and would like to provide comments. This program will provide student loan repayment and physician and dentist stipends, and make business tax credit and general excise tax exemption available to physicians and dentists who practice in Enterprise Zones (EZ).

There have been many good ideas introduced this legislative session that support the State's economic development goals, and we note that no appropriation is associated with this bill.

DBEDT recognizes that in certain rural areas of Hawaii, residents are increasingly unable to obtain timely and appropriate health care. We defer to the Department of Health to comment on the merits and effectiveness of the Hawaii Health Corps program to address this complex problem.

Part III of the bill seeks to include physicians and dentists as qualified businesses in the Enterprise Zone Program. The primary EZ benefits include 1) income tax credits, 2) GET exemption on eligible revenues, and 3) GET exemption on construction. Although these benefits seem significant, a doctor may only receive the income tax credits if they are making profits. If they are not, or do not owe any income taxes, they may not get any EZ benefit. A second benefit is GET exemption on eligible revenues. This would apply to the customer's bills, as customers would not be charged the GET. The doctor does not receive any direct savings. Regarding the GET exemption on construction - this incentive is designed to encourage establishment and expansion. If there is no or minimal construction costs involved, the benefits from the GET will be minimal to none. Thus, the EZ program's impact in attracting physicians to shortage areas may be minimal.

We would like to request one change, *not requiring these facilities to increase their staff* during their participation in the EZ Program *conflicts with the job creation purpose* as stated in HRS §209E-1. By adding **(a) (1) (3) and (b)(1)(3) on page 13 line 8** ensures that tax payer monies are being spent towards economic growth and expansion. The change would read as follows, "(1) The business either meets the requirements of subsection (a) (1), (2), and **(3)** or (b) (1), (2), and **(3)**; and..."

Furthermore, there may be revenue losses resulting from existing medical practices operating in the zones becoming eligible for tax exemptions. We defer to the Department of Taxation to ascertain the revenue impact of this proposal.

Thank you for the opportunity to offer these comments.

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON HEALTH
ON
HOUSE BILL NO. 2519, H.D. 2

March 17, 2008

RELATING TO HEALTH CARE

House Bill No. 2519, H.D. 2, among other things, establishes a Hawaii Health Corp Fund to be administered by the Department of Health for the collection of moneys appropriated by the Legislature for the program, gifts, donations and grants from public agencies and private persons, loan payments, proceeds of the operations of the program and interest earned or accrued on moneys deposited in the fund. The proposed fund would be used to provide loan repayment to qualifying students who agree to work as a physician in health professional shortage areas of the State for a certain period, and as first responders during civil defense and other emergencies, and stipends for physicians and dentists who agree to provide services in shortage areas and as first responders.

As a matter of general policy, this department does not support the creation of any special or revolving fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the fund meets any of these criteria.

**STATE OF HAWAII**
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

March 17, 2008

The Honorable David Y. Ige, Chair
Senate Committee on Health
Twenty-Fourth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Senator Ige and Members of the Committee:

SUBJECT: HB 2519 HD2 – RELATING TO HEALTH CARE

The position and views expressed in this testimony do not represent nor reflect the position and views of the Department of Health.

The State Council on Developmental Disabilities (DD) **SUPPORTS HB 2519 HD2**. The purpose of HB 2519 HD2 is to establish the Hawaii Health Corps Program to provide student loans and physician and dentist stipends, and makes the enterprise zone business tax credit and general excise tax exemption available to physicians and dentists who practice in those enterprise zones.

HB 2519 HD2 provides a multi-faceted approach to provide loans and stipends, and tax credits and exemptions to increase access to health care professionals. These provisions would assist in recruiting physicians and dentists to provide medical and dental care services for individuals with DD, especially in underserved and rural areas. Access to medical and dental care is often challenging for individuals with DD and their families. We hear from numerous individuals and families that they cannot find a dentist willing to accept Medicaid participants because of the paper work and low reimbursement rate.

With regard to the tax credits and general excise tax exemption, we defer to the Department of Taxation for the financial costs for the credits and exemptions. The Council applauds the Legislature's initiative and foresight to address the shortage of physicians and dentists through the establishment of the Hawaii Health Corps Program.

Sincerely,

Waynette K.Y. Cabral
Executive Administrator

**HAWAII HEALTH SYSTEMS**
C O R P O R A T I O N
*"Touching Lives Every Day"*

**THE SENATE**

**COMMITTEE ON HEALTH**
**Senator David Y. Ige, Chair**
**Senator Carol Fukunaga, Vice Chair**

March 17, 2008, 1:00 PM
Conference Room #016
Hawaii State Capitol

# Testimony on HB 2519 HD2 Relating to Health Care

Establishes the Hawaii Health Corps Program - loan repayment and stipends for physicians and dentists; enterprise zone business tax credit, general excise tax exemption; other business incentives to physicians and dentists who establish or maintain practices in areas designated as enterprise zones

By Thomas M. Driskill, Jr.
President and Chief Executive Officer

Thank you for the opportunity to offer testimony in support of the intent of HB 2519 HD2 establishing the Hawaii Health Corps Program that offers a number of incentives to health professionals to practice in health professional shortage areas in the State of Hawaii.

As a safety-net health care system with five regions located on Hawaii, Kauai, Maui, Lanai and Oahu, the Hawaii Health Systems Corporation (HHSC) is keenly aware of workforce shortages and difficulties in attracting and maintaining health care professionals in rural, underserved, and health professional shortage areas. HHSC recognizes the need for creative initiatives to address the serious healthcare issues we face in Hawaii and strongly supports consideration of programs directed to alleviating the serious concerns of shortage and distribution of health care provider resources in the state and its impact on access to quality health care for all.

This measure offers creative incentives and requires program rulemaking, development and administration of the Department of Health to whom we defer technical considerations. Thank you.

# UNIVERSITY OF HAWAI'I SYSTEM
Legislative Testimony

Written Testimony Presented Before the
Senate Committee on Health
March 17, 2008 at 1:00 pm

by
Virginia S. Hinshaw, Chancellor
and
Dr. Gary K. Ostrander
Vice Chancellor for Research and Graduate Education
University of Hawai'i at Mānoa

**HB 2519, HD2 Relating to Health Care**

Chair Ige, Vice Chair Fukunaga, and Members of the Committee:

Thank you for the opportunity to testify today. Unfortunately, the University of Hawai'i at Mānoa can only support the intent of the bill at this time because of our pressing priorities, such as our tremendous need for repairs and maintenance and health and safety issues, which are critical to our ability to perform our core mission for the State of Hawai'i. We are grateful to the Legislature's attention to these needs. We recognize that you have many priorities and issues to weigh for the state, so the following substantive information on this program is provided to assist you in your decision-making process.

It is appropriate to consider medical school student loan repayments and physician and dentist stipends for doctors that commit to serving in the rural/underserved areas of the State of Hawai'i and agree to serve as first responders for the citizens of our state.

Provisions should be included if a participant chooses to leave prior to their commitment. It is not clear how such contingencies will be addressed and they could prove to be administratively problematic.

Thank you for the opportunity to testify, we appreciate all interest in the University, and want to emphasize that we will be able to perform better in all arenas and best serve the state with support of the current campus priorities approved by the Board of Regents.

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Government Affairs

Testimony of
Frank P. Richardson
Executive Director of Government Relations

Before:
Senate Committee on Health
The Honorable David Y. Ige, Chair
The Honorable Carol Fukunaga, Vice Chair

March 17, 2008
1:00 pm
Conference Room 016

**HB 2519, HD2 RELATING TO HEALTH CARE (Hawaii Health Corps Program)**

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on HB2519, HD2 which establishes the Hawaii Health Corps that will provide loan repayment and stipends for physicians and dentists who agree to work in health professional shortage areas and as first responders during civil defense and other emergencies; and that expands the Enterprise Zone Business Tax Credit, general excise tax exemptions, and other business incentives to include physicians and dentists who establish or maintain practices in areas designated as enterprise zones.

**Kaiser Permanente Hawaii supports this bill.**

Physician shortages in rural and other areas of the State of Hawaii, and impediments to access to quality health care in these areas due to physician shortages, especially among physician specialists, is a matter of serious concern to Kaiser Permanente in its ability to service its members in such shortage areas.

Particularly in the islands other than Oahu, where Kaiser has fewer clinics and where fewer members of the Hawaii Permanente Medical Group reside, Kaiser relies upon its contracts with non-HPMG physicians and other providers and caregivers to service Kaiser members residing in these shortage areas. To the extent the State is unable to attract or retain physicians, particularly specialists, and other caregivers in these shortage areas, it creates barriers to access for Kaiser members, just as it does for other residents of Hawaii. This sometimes results in Kaiser having to fly physicians from Oahu to the other islands, or fly its member patients who are in need of unavailable specialty care on those islands to Oahu. In either case, delivery of care becomes less expeditious, less efficient, and more costly.

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Mobile: 808-295-5089
E-mail: frank.p.richardson@kp.org

For these reasons, Kaiser supports this bill's targeted effort to relieve barriers to access to timely and appropriate health care in underserved physician shortage areas of the State.

Thank you for the opportunity to comment.

**Hawai'i Primary Care Association**
345 Queen Street, Suite 601 Honolulu, HI 96813
Tel (808) 536-8442 Fax (808) 524-0347

To: **Senate Committee on Health**
The Hon. David Y. Ige, Chair
The Hon. Carol Fukunaga, Vice Chair

## Testimony in Support of House Bill 2519, HD 2
## Relating to Health Care
**Submitted by Beth Giesting, CEO**
**Monday, March 17 , 2008, 1:00 p.m. agenda, Room 016**

The Hawai'i Primary Care Association strongly endorses this measure, which aims to address the needs for medical and dental providers in underserved rural areas of Hawai'i. The loans, stipends, and other incentives proposed in this bill are all necessary parts of an overall campaign to ensure the availability of health care services where and when they are most needed. Of particular note are the following:

- Prospective loans to enable students of the health professions to get an education. In contrast, the most well-known federal program that serves a similar purpose is available only after the student completes his or her education, which could bar some students from completing a lengthy – and costly – training process.

- Preference to make loans to students who would come from the underserved areas to which they would return to provide service. This is one of the best ways to help people who are more likely to have educational disadvantages to consider health careers, and it is an approach that will result in higher rates of retention in these communities.

- The "Hawai'i Health Corps." Such an entity will ensure that essential healthcare providers will be available in the event of an emergency. It is a virtual certainty that we'll have such needs in Hawai'i and we are probably not as well-prepared for them with ready and willing providers as we need to be.

Thank you for the opportunity to support this bill.

HMSA

Blue Cross
Blue Shield
of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

March 17, 2008

The Honorable David Ige, Chair
The Honorable Carol Fukunaga, Vice Chair

Senate Committee on Health

**Re: HB 2519 HD2 – Relating to Health Care**

Dear Chair Ige, Vice Chair Fukunaga and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of HB 2519 HD2 which would establish the Hawaii Health Corps program to provide health care to underserved areas of the State. HMSA supports this worthy attempt to assist in recruitment efforts in rural areas.

HMSA recognizes that when physicians leave a rural community, it impacts consumers and health care providers in that area. However, the problem of rural physician shortages is not unique to the Neighbor Islands or the state of Hawaii; it is a challenge throughout the nation. There are many reasons why physicians may leave practices in rural areas. While financial reasons such as the high cost of living and doing business and inadequate payments from Medicare and Medicaid have been highlighted in many articles, physicians may also leave for other professional or personal reasons, such as:

- Stress of working longer hours.
- Professional isolation.
- Limited career opportunities for spouses.
- Limited educational opportunities for children.
- Small population of health care consumers.

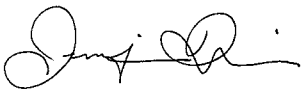
HMSA is working to ensure that our members have access to the services they need wherever they may reside in the State. We are also assisting our Neighbor Island communities in the difficult task of physician recruitment. This assistance has taken the form of providing funding for recruitment expenses and, in some cases, for office and testing equipment.

Additionally, HMSA awarded a grant to the University of Hawaii to develop a family medicine training program in Hilo. This will enhance physician recruitment for Neighbor Island practices by exposing students to Neighbor Island life, culture and communities. Studies have shown that oftentimes individuals remain to practice medicine in the area where they have completed their residency training. It is believed that this program will assist in increasing the number of family practice physicians on the Big Island. HMSA

supports programs such as the Hawaii Health Corps initiative as a welcome compliment to the efforts currently taking place in the community.

Thank you for the opportunity to testify in support of HB 2519 HD2.

Sincerely,



Jennifer Diesman
Assistant Vice President
Government Relations

Healthcare Association of Hawaii

SENATE COMMITTEE ON HEALTH
Senator David Ige, Chair

Conference Room 016
March 17, 2008 at 1:00 p.m.

**Testimony in support of HB 2519 HD 2.**

I am Rich Meiers, President and CEO of the Healthcare Association of Hawaii, which represents the entire spectrum of health care, including acute care hospitals, two-thirds of the long term care beds in Hawaii, as well as home care and hospice providers. Thank you for this opportunity to testify in support of HB 2519 HD 2, which establishes the Hawaii Health Corps Program that encourages physicians and dentists to practice in shortage areas by providing loan repayments to medical and dental students and stipends to practicing physicians and dentists. The bill also provides tax benefits to physicians and dentists who practice in enterprise zones that are located in shortage areas.

In recent weeks the media have featured a number of articles highlighting the complex and multi-faceted crisis that is plaguing Hawaii's health care system. Payments for health care from Medicare, Medicaid, and private insurance are too low. Medical malpractice insurance premiums are too high. Some physicians have already left Hawaii to practice on the mainland where financial conditions are more viable. Kahuku Hospital was on the verge of bankruptcy a year ago and about to close its doors before it was acquired by the Hawaii Health Systems Corporation (HHSC). Meanwhile, HHSC is requesting emergency funding during the current session in order to pay its suppliers. This bill addresses one aspect of Hawaii's health care crisis.

Many rural areas of our state are especially impacted because of a dispersed population. Urban areas, with their population density, provide a much greater potential to attract patients. Physicians are especially affected because of the high cost of medical malpractice insurance. Dentists are also in short supply in many rural areas.

This bill creates an innovative program that encourages physicians and dentists to serve in medically underserved areas. It creates a loan forgiveness program for medical and dental students that provides incentives to practice in medically underserved areas after graduation. The program also provides stipends to physicians and dentists who practice in shortage areas. This bill addresses the shortage of physicians and dentists in many rural areas that limits access to care.

For the foregoing reasons, the Healthcare Association supports HB 2519 HD 2.

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March 17, 2008

To: Rep. Josh Green, M.D., Chair
Rep. John Mizuno, Vice Chair
House Committee on Health

From: Cynthia Goto, M.D., President
Linda Rasmussen, M.D., Legislative Co-Chair
Philip Hellreich, M.D., Legislative Co-Chair
Paula Arcena, Executive Director
Dick Botti, Government Liaison

Please deliver to:
Health Committee
3-17-08
Monday
1pm
Conf. Rm. 016

RE: HB2519, HD2 Relating to Health Care

The Hawaii Medical Association (HMA) supports HB2519, HD2.

The HMA appreciates the effort to provide incentives for physicians to service underserved areas.

Hawaii is currently experiencing a patient access to medical care crisis due to an inadequate supply of physicians statewide.

Economic incentives that reduce the financial burden of a medical practice can serve as meaningful incentive to practice in rural areas.

Financial burdens include:

- Overhead that can be as high as 75% of gross income;
- Overhead includes, high medical malpractice insurance premiums (premiums vary by medical specialty);
- Overhead includes increasing manpower, office rent and other business expenses;
- Income is based on inadequate payment for services from private and public health plans; and
- For new physicians, typical student loan debt of $150,000.

We would like to request the following amendments to HB2519, HD2

In addition, we would like the committee to note that it will take many different kinds of incentives to make Hawaii competitive with other jurisdiction. The physician shortage is national and is expected to last for the next several decades.

Medical liability reform, which establishes reasonable limits on non-economic damages (ie. pain and suffering, loss of consortium, loss of enjoyment of life) and puts no limits on economic damages (ie. past

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and future medical expenses, cost of living expenses, lost wages, etc.) has served as a powerful physician recruiting and retention measure for other states. Texas, in particular, has compelling data showing vast improvements in patient access to care since passing medical liability reform in 2003. Given Hawaii's remote location, high cost of living and other disadvantages, medical liability reform would help Hawaii to compete with other jurisdictions.

The Insurance Division of the Hawaii Department of Commerce and Consumer Affairs has previously submitted to this committee an actuarial report confirming that medical liability insurance premiums would decrease by up to 17% with the adoption of medical liability reform.

We encourage the committee to consider medical liability reform, in addition to HB2519, as a meaningful way to recruit and retain the physician workforce and meet Hawaii's need for physicians.

Thank you for the opportunity to testify on this matter.

L E G I S L A T I V E

# TAXBILLSERVICE

126 Queen Street, Suite 304 TAX FOUNDATION OF HAWAII Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Hawaii health corps

BILL NUMBER: HB 2519, HD-2

INTRODUCED BY: House Committee on Higher Education

BRIEF SUMMARY: Amends HRS section 209E-9 to provide that any business engaged in providing medical and health care services may be considered a "qualified business" for enterprise zone purposes if the business is located within a health professional shortage area of the state designated by the Health Resources and Services Administration of the U.S. Department of Health and Human Services, including any county with a population of less than 500,000, rural areas of the state, areas served by community health centers, and any other area identified by the department of health. This section shall be applicable to tax years beginning after December 31, 2008.

Amends HRS section 209E-2 to amend the definition of "medical and health care services" and "service business" for purposes of the measure.

Also adds a new chapter to establish the Hawaii health corps to provide loan repayment and stipends for physicians and dentists to work in health professional shortage areas of the state and who are first responders during civil defense and other emergencies.

Appropriates $_____ in general funds for fiscal 2009 for the creation of the Hawaii health corps program. Also appropriates $_____ in general funds for fiscal 2009 for the administration of health care enterprise zones.

EFFECTIVE DATE: July 1, 2020

STAFF COMMENTS: This measure proposes to include certain medical and health care providers as a qualified business for enterprise zones purposes to encourage such providers to provide health care services for areas designated as health professional shortage areas of the state.

In an enterprise zone, businesses are attracted and encouraged to relocate to the zone through tax incentives, bonds, and other appropriate measures. Businesses located in an enterprise zone may claim a credit against income taxes paid for a period of seven years and also allows the sale of items sold by such businesses to be exempt from the general excise tax. The credit shall be 80% of the income tax due for the first tax year, 70% of the tax due for the second tax year, 60% of the tax due for the third year, 50% of the tax due the fourth year, 40% of the tax due the fifth year, 30% of the tax due the sixth year, and 20% of the tax due the seventh year.

While this measure would grant enterprise zone incentives to a select group of health care providers, it should be remembered that singling out specific areas of the state merely confers preferences for those businesses located within those geographic areas at the expense of all other taxpayers who are not so

favored. It should be remembered that those taxpayers who live and work in the zone will demand the same public services as those who are not as fortunate to be located in the zone. Who then will pay for these services?

More importantly, while this measure attempts to confer favorable tax treatment under Hawaii laws, one must ask what happens to them under the federal income tax laws? With no state tax liability, more of the health care provider's income is exposed to the federal income tax where the rates are much higher. It is understandable that such enterprise zones are seen as way to attract health care providers to underserved communities, but the tax burden is by no means the only negative consideration. Facilities, support staff, distance, medical malpractice insurance, workers' compensation, and communications are all key considerations.

Finally, while it may attract health care providers to health provider shortage areas of the state, one has to ask whether or not the economic lot of the people in those areas could be improved if the overall business climate had been improved. Concurrent efforts must be made to improve Hawaii's business climate to enhance the economic prospects for all businesses. Enterprise zones are merely an abdication of government's responsibility to create a nurturing and supportive business climate so that all businesses can thrive in Hawaii and provide the jobs the people of Hawaii need. One of the major issues for health care providers, in particular physicians, is the high cost of medical malpractice insurance. Some of the measures considered this year propose to grant tax credits to offset the cost of the premiums. Again, it is not just the cost of the insurance but the reason why it costs so much to insure physicians that has long been identified as the need for tort reform. Like that issue and the response to the high cost of medical malpractice insurance, lawmakers think that providing tax breaks and tax incentives will solve those problems. Unfortunately that is not the case as it will take more than tax incentives to entice health professional to move to and serve underserved areas of the state.

Finally, while Hawaii has had the enterprise zone concept on the books for years, no evaluation has been made of how effective these zones have been in improving the well-being of those communities on which this status has been conferred. Before further corrupting the economic marketplace with added versions of the enterprise zone concept, an evaluation of the current zones should be undertaken. Instead of expanding the enterprise zone program, the program should be repealed in favor of across-the-board tax relief for all businesses in Hawaii. Indeed, has there been a comprehensive evaluation of the program and do lawmakers know exactly how much enterprise zone businesses have benefitted and whether or not they have created the jobs promised when the program was first established? If the legislature is adamant about the designation of enterprise zones in the state, then the whole state should be designated an enterprise zone and the tax treatment will be equitable to all businesses.

Digested 2/19/08

Hawaii Association of Health Plans

March 17, 2008

The Honorable David Ige, Chair
The Honorable Carol Fukunaga, Vice Chair

Senate Committee on Health

**Re: HB 2519 HD2 – Relating to Health Care**

Dear Chair Ige, Vice Chair Fukunaga and Members of the Committee:

My name is Rick Jackson and I am President of the Hawaii Association of Health Plans ("HAHP"). HAHP is a non-profit organization consisting of seven (7) member organizations:

AlohaCare
Hawaii Medical Assurance Association
HMSA
Hawaii-Western Management Group, Inc.
MDX Hawai'i
University Health Alliance
UnitedHealthcare

Our mission is to promote initiatives aimed at improving the overall health of Hawaii. We are also active participants in the legislative process. Before providing any testimony at a Legislative hearing, all HAHP member organizations must be in unanimous agreement of the statement or position.

Thank you for the opportunity to testify in support of HB 2519 HD2, which would establish the Hawaii Health Corps Program to provide student loans and physician and dentist stipends, and make the enterprise zone business tax credit and general excise tax exemption available to physicians and dentists who practice in those enterprise zones. As you are aware, Hawaii, as in the rest of the U.S. is experiencing difficulty in recruiting physicians in certain specialties to practice in the more rural areas of our State.

HAHP supports the innovative set of proposals contained in HB 2519 HD2 to encourage physicians to practice in certain areas through loan forgiveness and tax breaks. Efforts such as this are a welcome addition to the other initiatives being conducted in the community to address this issue.

Thank you for the opportunity to testify.

Sincerely,

Rick Jackson, President

**TESTIMONY OF ROBERT TOYOFUKU ON BEHALF OF THE CONSUMER LAWYERS OF HAWAII (CLH) IN SUPPORT OF H.B. NO. 2519, HD 2**

March 17, 2008

To: Chairman David Ige and Members of the Senate Committee on Health:

My name is Bob Toyofuku and I am presenting this testimony on behalf of the Consumer Lawyers of Hawaii (CLH) in support of H.B. No. 2519, HD 2.

CLH agrees with and supports the purpose of the bill to establish a Hawaii Health Corps Program which is attempting to assist in increasing health care in underserved and rural areas. CLH has always advocated for alternatives to provide health care in the underserved and rural areas especially on the neighbor islands and this concept is worth continued discussion.

Thank you for the opportunity to testify.

# HB2727

# HD2

Measure Title:
RELATING TO HEALTH INSURANCE.

Report Title:
Mandatory Health Coverage; Autism Spectrum Disorders

Description:
Requires all health insurers, mutual benefit societies, and health maintenance organizations to provide mandatory coverage for all policyholders, member, subscribers, and individuals under age 21 for the diagnosis and treatment of autism spectrum disorders. (HB2727 HD2)

Companion:
SB2532

Introducer(s):
WATERS

Current Referral:
HTH, CPH

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
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LAWRENCE M. REIFURTH
DIRECTOR

RONALD BOYER
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON HEALTH

TWENTY-FOURTH LEGISLATURE
Regular Session of 2008

Monday, March 17, 2008
1:00 p.m.

WRITTEN TESTIMONY ONLY

**TESTIMONY ON HOUSE BILL NO. 2727, HD 2 – RELATING TO HEALTH INSURANCE.**

TO THE HONORABLE DAVID Y. IGE, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is J. P. Schmidt, State Insurance Commissioner ("Commissioner"), testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The Department takes no position on this bill, which creates a mandated benefit for people under age 21 for the diagnosis and treatment of autism spectrum disorders.

The Department does not have the medical expertise necessary to express an informed opinion on the merits of this bill. However, while mandated benefits help some patients, they also increase premiums for consumers. It should also be noted that prior to enacting mandatory health insurance coverage, there must be a review by the Legislative Auditor pursuant to Hawaii Revised Statutes section 23-51.

We thank this Committee for the opportunity to present testimony on this matter.

LINDA LINGLE
GOVERNOR OF HAWAII

CHIYOME LEINAALA FUKINO, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

**Senate Committee on Health**

**H.B. 2727, H.D. 2, Relating to Health Insurance**

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

**March 17, 2008, 1:00 p.m.**

**Department's Position:** The Department of Health (DOH) cannot support this measure as written. Section 6 of this bill establishes a temporary Autism Spectrum Disorders (ASD) Benefits and Coverage Task Force in the DOH. The Department notes that DOH is not the appropriate agency to lead a task force on this issue and does not have the staff or funding resources to support the extensive Task Force work.

**Fiscal Implications:** No funds are appropriated to support the work of the ASD Task Force.

**Purpose and Justification:** This bill requires all health insurers, mutual benefit societies, and health maintenance organizations to provide mandatory coverage for individuals under age 21 for the diagnosis and treatment of ASD beginning July 1, 2020. The Department defers to the State Insurance Commissioner regarding the cost of implementing such mandates. This bill also establishes in the DOH an ASD Benefits and Coverage Task Force, with the DOH responsible for administering the work of the Task Force, providing a facilitator, and submitting a report to the legislature.

The Department does not directly serve the broad population of children/youth with ASD. DOH services for children/youth with ASD are limited to those who are age 0-3 years receiving early

intervention services, those with mental health concerns, and those with developmental disabilities. Therefore, the Department is not the appropriate agency to be designated as the lead for this measure.

Thank you for the opportunity to testify.

**STATE OF HAWAII**
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

March 17, 2008

The Honorable David Y. Ige, Chair
Senate Committee on Health
Twenty-Fourth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Senator Ige and Members of the Committee:

SUBJECT: HB 2727 HD2 - RELATING TO HEALTH INSURANCE

The position and views expressed in this testimony do not represent nor reflect the position and views of the Department of Health (DOH).

The State Council on Developmental Disabilities recognizes the merits of this bill. The purpose of the bill is to require all health insurers, mutual benefit societies, and health maintenance organizations to provide mandatory coverage for all policyholders, members, subscribers, and individuals under age 21 for the diagnosis and treatment of autism spectrum disorders.

The Council does not have expertise in the area of insurance coverage and the impact that coverage for the diagnosis and treatment of autism spectrum disorders would have as a mandated benefit. It is appropriate for the Legislative Auditor to prepare and submit a report to the Legislature that assesses both the social and financial effects of the proposed mandated coverage as required under Section 23-51, Hawaii Revised Statutes.

We support the intent of Section 7 of the bill beginning on page 12 that establishes a temporary Autism Disorders Spectrum Benefits and Coverage Task Force. We defer to DOH for financial resources needed to support the work of the task force.

The Council appreciates the Legislature's interest and concern about autism spectrum disorders. Thank you for the opportunity to present testimony.

Sincerely,

Waynette K.Y. Cabral
Executive Administrator

**TESTIMONY TO THE TWENTY-FOURTH STATE LEGISLATURE, 2008 SESSION**

**To:** Senate Committee on Health

**From:** Gary L. Smith, President
Hawaii Disability Rights Center

**Re:** House Bill 2727, HD 2
Relating to Health Insurance

**Hearing:** Monday, March 17, 2008 1:00 PM
Conference Room 016, State Capitol

Members of the Committee on Health:

Thank you for the opportunity to provide testimony supporting House Bill 2727, HD2 Relating to Health Insurance.

I am Gary L. Smith, President of the Hawaii Disability Rights Center, formerly known as the Protection and Advocacy Agency of Hawaii (P&A). As you may know, we are the agency mandated by federal law and designated by Executive Order to protect and advocate for the human, civil and legal rights of Hawaii's estimated 180,000 people with disabilities.

We support this bill. It is not clear to us that there is a legal basis for a medical insurance policy to not cover the treatments described in this bill for autism spectrum disorder. Yet, there are many advocates in the community for the needs of autistic children who have relayed experiences of that nature. If that is true, then the legislature should in our view mandate such coverage. This is a serious condition which can be ameliorated with proper treatment.

We realize that under state law, a Report from the Legislative Auditor may be required before the legislature can mandate such coverage. In that event, we hope the Committee will entertain an appropriate Concurrent Resolution to that effect at a later time during this session.

Thank you for the opportunity to provide testimony in support of this bill.

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Government Affairs

Testimony of
Frank P. Richardson
Executive Director of Government Relations

Before:
House Committee on Health
The Honorable David Y. Ige, Chair
The Honorable Carol Fukunaga, Vice Chair

March 17, 2008
1:00 pm
Conference Room 016

**HB 2727, HD2 RELATING TO HEALTH INSURANCE (Autism)**

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on HB2727, HD2 which requires all health insurers, mutual benefit societies, and health maintenance organizations to provide mandatory coverage for all policyholders, members, subscribers, and individuals under age 21 for the diagnosis and treatment of autism spectrum disorders.

**Kaiser Permanente Hawaii provides the following comments on this bill.**

Kaiser Permanente's position on proposed legislative mandates of health coverage is that they are usually not a good idea, for several reasons:

1. First, because they generally tend to raise the cost of delivering health care, thereby resulting in higher premiums and increased cost to the purchasers and payors of health plan coverage, whether they be employer groups or individuals;
2. Second, because they often tend to dictate how medicine should be practiced, which sometimes results in medicine that is not evidence based and usurps the role and expertise of the practicing physician and other health care professionals who provide medical treatment and services; and
3. Finally, because they often lock in statutory requirements that become outdated and do not keep pace with the ever evolving and advancing fields of medicine and medical technology.

Kaiser also notes that an impact assessment report is required pursuant to Sections 23-51 and 23-52 of the Hawaii Revised Statutes, and supports HCR 62 requesting such a report, to assess among other things:

711 Kapiolani Blvd
Honolulu, Hawaii 96813
Telephone: 808-432-5408
Facsimile: 808-432-5906
Mobile: 808-295-5089
E-mail: frank.p.richardson@kp.org

a) the extent to which this mandated insurance coverage would be reasonably expected to increase the insurance premium and administrative expenses of policy holders; and
b) the impact of this mandated coverage on the total cost of health care.

Additionally, Kaiser notes that this bill proposes a mandate that could cost, by law, up to $75,000 per patient per year when passed, with the potential to rise over time. This could create a significant financial impact that should be reviewed prior to passing this law.

This bill also proposes definitions that differ from those already existing in Hawaii law. For example, "medical necessity" is defined at Sections 432E-1 and 432E-1.4 of the Hawaii Revised Statutes, in a definition that differs in significant respects from the definition of "medically necessary" in this bill. Such inconsistencies in law are better avoided.

Finally, Section 6 of this bill proposes an autism disorder spectrum benefits and coverage task force attached to the Department of Health to report to the legislature prior to the 2009 legislative session. Due to Kaiser Permanente's unique structure and method of providing services we request that someone from Kaiser Permanente be appointed to the task force. With approximately 20 percent of Hawaii's residents receiving care from Kaiser Permanente, it is important that any proposal for changes in benefits take into account the impact on these residents.

Thank you for the opportunity to comment.

## testimony

**From:** sunsetyards@mac.com
**Sent:** Saturday, March 15, 2008 7:59 AM
**To:** testimony
**Subject:** Senate Committee on Health /HB2727, Dylan's Law

Michael Magaoay,
Senator David Ige
Representative James Tokioka,

The other members are:
Vice-Chair, Senator Carol Fukunaga
Senator Rosalyn Baker
Senator Ron Menor
Senator Paul Whalen

My name is Joy McDougall. I am a voting resident living on the North Shore of Oahu.
I am in support of Dylan's Lay HB2727.
Please give it a hearing and a positive vote to help children and families dealing with autism.
Thank you.
Joy McDougall

Tina Chorman
364C Olomana Street
Kailua, HI 96734

3/16/08

**Re: HB2727, Monday, March 17 2008, 2:30 p.m., Room 16**

Dear Chair Senator David Ing, Vice-Chair Senator Carol Fukunaga, and members of the Senate Health Committee:

I am writing to express my strong support of House Bill 2727, otherwise known as Dylan's Law. This bill mandates health insurance coverage for autism spectrum disorders.

Autism is a complex neurobiological disorder that currently affects 1 in 150 children, according to the Center for Disease Control. This disorder affects boys four times more likely than girls. Autism impairs a person's ability to communicate and relate to others, and is often associated with repetitive behaviors, poor eye contact, and rigidity in routines. Children with autism often have co-occurring conditions, such as behavioral problems, speech disorders, depression, anxiety, muscle or joint problems, ear infections, vision and hearing problems, and allergies. The wide range of co-occurring problems leads to their need for services from trained medical professionals and for a full-range of therapies. The therapies include speech therapy, occupational therapy, and intensive behavioral therapy, such as Applied Behavior Analysis (ABA), among others. With proper medical intervention and intensive therapies children with autism can improve to such an extent that they can enter mainstream classrooms unassisted.

Unfortunately, children with autism are often denied coverage for necessary therapies by private health insurance companies. One important therapy denied by insurers is Applied Behavior Analysis (ABA). ABA has a decades-long record of efficacy. It is a data-based intervention for autism that has over forty years of research behind it. In a 1987 study by Ivar Lovaas, the children who underwent early intensive ABA therapy achieved higher educational placement and increased IQ levels than those who did not. ABA is recognized by The U.S. Surgeon General's 2001 Report on Mental Health as the treatment that is widely accepted as being effective for autism, and the National Institute of Child Health and Human Development acknowledges that Applied Behavior Analysis is an effective treatment for autism. Although ABA is the single intervention most often sought by parents of children with autism, insurers frequently deny it as a benefit. As a result, families are often forced to pay for these costly services out of pocket.

Too many families of children with autism are deeply in debt as a result of the lack of insurance coverage for these necessary therapies. However, the cost of paying for the therapies out of pocket not only causes financial strain for the families, but it also

causes heavy emotional distress. For many of these families, the stress is more than they can bear and many of the marriages end in divorce. But in spite of the burdens of autism on the insurance companies, the government, the families, and even on society as a whole, the most important point in this issue is the CHILD. Dylan's Law is about all children with autism who deserve to have a better quality of life.

From our own experience, we have seen dramatic improvements in our 5 year old autistic son, who has attended an intensive ABA program (40+ hours/week) and receives aggressive biomedical interventions for the past two years. Our child's program costs over $100,000 a year and if we had to pay out-of-pocket, he would not be able to receive the program that fits his individual needs. Unfortunately, we were forced to file for hearing against the Department of Education to receive the appropriate education that our son desperately needed. The stress and emotional anguish of "fighting" for your child's education is one that many parents cannot handle, and often, accept a substandard placement or program for their child instead.

We cannot put a price tag on our child's future but, I do know that, if more therapies and treatments were covered by insurance companies, more autistic children in Hawaii, would be improving at much faster rates.

I urge you to pass Dylan's Law House Bill 2727 and make insurance coverage for autism a reality. The children with autism in Hawaii deserve to have the opportunity to thrive.

Thank you for your consideration.

Sincerely,
Tina Chorman

**testimony**

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**From:** Christine Mau [chissy44@yahoo.com]
**Sent:** Sunday, March 16, 2008 1:25 PM
**To:** testimony
**Subject:** DYLAN'S LAW HB 2727

To whom it may concern,

I am writing to ask you to please pass "Dylan's Law HB 2727". I am a mother of a 7 year old autistic boy, and passing more laws in this state in order to better the learning and medical environment our children would mean the world to all parents of autistic children. I SUPPORT THIS AND ASK THAT YOU PLEASE HEAR US: PLEASE PASS DYLAN'S LAW HB 2727. Thank you so much!

Sincerely,
Christine K. Mau
(mother of Sage Maxwell-7 yrs old- high functioning autism)

---

HMSA

Blue Cross
Blue Shield
of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

March 17, 2008

The Honorable David Ige, Chair
The Honorable Carol Fukunaga, Vice Chair

Senate Committee on Health

**Re: HB 2727 HD2 – Relating to Health Insurance**

Dear Chair Ige, Vice Chair Fukunaga and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2727 HD2 which would require health plans to provide coverage for the diagnosis and treatment of autism spectrum disorders for covered individuals less than twenty-one years of age.

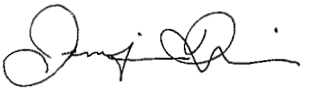
The first problem with HB 2727 HD2 is the language in the measure itself. We believe that it is flawed in its definition of medical necessity and treatment. The term "medical necessity" is already statutorily defined in HRS 432E-1.4 in the Patient's Bill of Rights and Responsibilities Act. This definition was designed not only to protect a health plan's members but to allow the plan the ability to ensure that services and treatments provided meet a scientific standard for effectiveness, are necessary and appropriate. The definition of "medical necessity" and "treatment" in this measure differs significantly from what already exists including the removal of the scientific standard.

The current language in the measure would create an Autism Disorders Spectrum Benefits and Coverage Task Force. While HMSA appreciates the inclusion on such a Task Force, we also believe that prior to this group being convened the legislature should request an Auditor's study as required under Hawaii Revised Statutes 23-51 and 23-52. This study would provide Task Force members with objective information and the groundwork with which to begin the discussion on what can be done to ensure proper services are provided through public and private resources for children with autism. Without a report of this type, the Task Force would be responsible for gathering what could be a lot of information with limited time and resources.

We would request that rather than pass HB 2727 HD2, the Committee consider holding this measure and instead request an Auditor's study be completed. The language concerning the Task Force could be reintroduced next legislative session requesting that this group specifically examine the Auditor's findings. We believe that a study of this type will provide the Task Force with an objective document with which to begin its work.

Thank you for the opportunity to provide testimony on HB 2727 HD2.

Sincerely,



Jennifer Diesman
Assistant Vice President
Government Relations


March 17, 2008

The Honorable David Ige, Chair
The Honorable Carol Fukunaga, Vice Chair

Senate Committee on Health

**Re: HB 2727 HD2 – Relating to Health Insurance**

Dear Chair Ige, Vice Chair Fukunaga and Members of the Committee:

My name is Rick Jackson and I am President of the Hawaii Association of Health Plans ("HAHP"). HAHP is a non-profit organization consisting of seven (7) member organizations:

AlohaCare
Hawaii Medical Assurance Association
HMSA
Hawaii-Western Management Group, Inc.
MDX Hawai'i
University Health Alliance
UnitedHealthcare

Our mission is to promote initiatives aimed at improving the overall health of Hawaii. We are also active participants in the legislative process. Before providing any testimony at a Legislative hearing, all HAHP member organizations must be in unanimous agreement of the statement or position.

Thank you for the opportunity to testify on HB 2727 HD2 which would require health plans to cover screening for diagnosis and treatment of autism spectrum disorders for individuals under the age of twenty one "when ordered by a physician, psychologist or certified registered nurse practitioner." HAHP recognizes that legislative health mandates are often driven by the desire for improved health care services to the community; as health plans, our member organizations are committed to the same ideal.

This bill, however, would seem to have the intended effect to shift 100% of treatment responsibility and cost for autism spectral disorder to licensed health plans, including all of HAHP's member organizations. Currently, a broad range of organizations and support groups assist in dealing with this developmental disorder: Department of Education (DOE), Department of Health – Developmental Disabilities Division, the Department of Human Services through Medicaid and other community-based organizations. As we understand the bill, treatment "prescribed, provided, or ordered for an individual diagnosed with an autism

spectrum disorder by a licensed physician, licensed psychologist, or certified registered nurse practitioner if the care is determined to be medically necessary" will be mandated to be covered by health plans. Additionally, we would point out that the bill's broad definition of medical necessity is not consistent with the one stated in the Patient Bill of Rights.

Health plans already are, by Division of Insurance rules, responsible for reimbursing diagnostic testing for autistic disorders. Cost-shifting the entire treatment responsibility to health plans away from the current Government-sponsored programs to private plans may appeal to the family members of autistic children, but not to HAHP members or the employers who pay the premiums for their employees.

Thank you for the opportunity to testify.

Sincerely,

Rick Jackson
President

Amber Alexander
202 Hoalike Street
Kihei, Hawaii 96753
(808) 870-4304

March 17, 2008

To: HTH Committee, State Senate

Testimony of Amber Alexander re: HB 2727,
Relating to Mandatory Health Coverage; Autism Spectrum Disorders

Date of Hearing: Monday, March 17, 2008, 1:00 pm, conference room 016

I reside on Maui and am unable to attend this hearing. So, on behalf of myself and my family, I am submitting this testimony regarding H.B. 2727.

In August of 2006 my son, was diagnosed with Autism Spectrum Disorder. That diagnosis sent our family into a state of emotional turmoil and on the path of severe financial hardship.

Our insurance company did pay for the diagnosis of my son's condition. However, the policy specifically excludes treatment for any developmental delay, including ASD. They will not pay for speech therapy, occupational therapy, behavioral therapies. To say I and my husband were flabbergasted is an understatement.

Early intervention is critical for ASD, and without the insurance company providing the financial resources and skilled health care providers needed, we scrambled to put together our own program with the limited resources on Maui. With a lot of work, tears, and diligence, we did piece together an abbreviated program. It took us more than three months to find a speech therapist. It took us another three to find an occupational therapist. And, it was very expensive. In the first year after his diagnosis, my family spent more than $30,000 for just speech therapy and occupational therapy. That not only wiped out whatever limited savings we had, but forced us to take a second mortgage out on our home. We are now facing severe financial hardship, but we are one of the lucky families – we were able to get our son treatment, and he is doing very well. Other families are not so lucky.

It is estimated that ASD now affects 1 out of every 166 children in this country. The only way to lessen the affects of this illness and to improve the quality of the lives of the children and their families is through early intervention, including speech therapy, occupational therapy, and behavioral therapy. Unfortunately, without the assistance of health insurers, most children will go without treatment, and most will never reach their full potential. We therefore support this bill, and ask that your Committee do the same.

Thank you for considering my input on this matter. Please feel free to call me at any time, if any of you have questions. I can be reached at (808) 870-4304.

Respectfully submitted,

Amber Alexander


Kalma K. Wong
46-220 Alaloa Place
Kaneohe, Hawaii 96744
(808) 393-5218
flute866@gmail.com

March 16, 2008

Senator David Y. Ige
Chair, Senate Committee on Health
Hawaii State Capitol, Room 215
415 South Beretania Street
Honolulu, Hawaii 96813

Senator Carol Fukunaga
Vice-Chair, Senate Committee on Health
Hawaii State Capitol, Room 216
415 South Beretania Street
Honolulu, Hawaii 96813

Re: Testimony in STRONG SUPPORT for HB2727 HD2, Relating to Health Insurance Coverage for Autism Spectrum Disorders, Senate Committee on Health, March 17, 2008, Room 016, 1:00 p.m.

Dear Chair Ige, Vice-Chair Fukunaga, and members of the Senate Committee on Health:

I am writing to express my strong support of House Bill 2727 HD2, otherwise known as Dylan's Law. This important bill mandates health insurance coverage for autism spectrum disorders.

Autism is a complex neurobiological disorder that currently affects 1 in 150 children, according to the Center for Disease Control. This disorder affects boys four times more likely than girls. Autism impairs a person's ability to communicate and relate to others, and is often associated with repetitive behaviors, poor eye contact, and rigidity in routines.

Children with autism often have co-occurring conditions, such as behavioral problems, speech disorders, anxiety, muscle or joint problems, ear infections, gastro-intestinal problems, vision and hearing problems, and allergies. The wide range of co-occurring problems leads to their need for services from trained medical professionals and for a full-range of therapies.

Unfortunately, children with autism are often denied coverage for necessary therapies by private health insurance companies. The therapies frequently denied include speech therapy, occupational therapy, and intensive behavioral therapy, such as Applied Behavior Analysis (ABA). Speech therapy is often denied because coverage generally only includes rehabilitative, as opposed to habilitative care. In other words, if a child never had the ability to talk, they don't need to teach him how to speak. But children with autism are delayed in development and require therapy to DEVELOP skills, such as the ability to speak and communicate.

Applied Behavior Analysis (ABA) has a decades-long record of efficacy. ABA is a data-based intervention for autism that has over forty years of research behind it. ABA therapy has shown to increase educational placements and increased IQ levels of those with autism. This therapy is recognized by the U.S. Surgeon General's 2001 Report on Mental Health as being widely accepted as the effective treatment for autism, and the National Institute of Child Health and Human Development acknowledges that Applied Behavior Analysis is an effective treatment for autism. Although ABA is the treatment most often sought by parent of children with autism, insurers frequently deny it as a benefit. As a result, families are often forced to pay for these costly services out of pocket

The current policy of denying necessary treatments for autism is inexcusable. Autism is a treatable condition, and with proper medical intervention and intensive therapies children with autism can improve to such an extent that they can enter mainstream classrooms unassisted. Given the proper treatments and therapies, a child with autism can become a functioning and independent person.

The failure of insurance companies to provide coverage for effective treatments for autism is not only an injustice to families affected by autism, it is also a gross disservice to Hawaii and to the citizens of this state. It has been estimated that the cost of caring for someone with autism is $3 million over his or her lifetime, and the cost to the country per year is $13 billion. However, with effective treatments, it has been estimated that the cost savings per child is $2.4 to $2.8 million per year to age 55. Mandated insurance coverage for autism will result in a huge cost savings for everyone in the long run.

Yet, the cost of autism is more than just financial. Yes, too many families with children affected by autism are deeply in debt as a result of the lack of insurance coverage for these necessary therapies. Yes, there is a huge financial cost to the state. But autism also results in heavy emotional distress for those directly affected. For many of these families, the stress is more than they can bear and many (in fact, 80 %) of the marriages end in divorce. There is also the heavy burden placed upon the siblings of those affected by autism. These siblings not only are forced to grow up too soon because they must help out with their autistic brother or sister, they also lose the time they should have had with their parents because their parents are physically and emotionally exhausted .

And still, let us not lose sight of the fact that the focus of this issue is, and should always be, the CHILDREN with autism. In spite of the cost of autism to the insurance companies, the government, the families, and even to society as a whole, the fact remains

that the highest cost of autism is felt by the innocent children who must work a thousand times harder than anyone else to do the simplest things. The children with autism deserve so much more than they have been receiving from a society that chooses to ignore them, that chooses to toss them aside simply because they are too much trouble. They deserve every opportunity to thrive. Dylan's Law is about all children with autism who deserve to have a better quality of life.

Please pass HB2727 HD2 and help improve the lives of children with autism.

Thank you very much for your time. If you have any questions, please feel free to contact me at 393-5218 or flute866@gmail.com.

Sincerely,

Kalma K. Wong
Hawaii Chapter President
Autism Speaks (formerly Cure Autism Now)
Chapter Advocacy Chair, Autism Speaks

Kerri Wong
46-312C Haiku Rd.
Kaneohe, HI 96744
247-5956

17 March 2008

Senator David Y. Ige, Chair
Senate Committee on Health
Hawaii State Capitol, Room 215
415 South Beretania Street
Honolulu, HI 96813

Senator Carol Fukunaga, Vice-Chair
Senate Committee on Health
Hawaii State Capitol, Room 216
415 South Beretania Street
Honolulu, HI 96813

Re: Support of House Bill 2727 otherwise known as Dylan's Law, Relating to Health Insurance Coverage for Autism Spectrum Disorders
Senate Health Committee
March 17, 2008, 1:00 p.m., Room 016

Dear Chair Ige, Vice-Chair Fukunaga, and members of the Senate Health Committee,

I am writing as a concerned parent and citizen to express support of House Bill 2727, otherwise known as Dylan's Law. This bill mandates health insurance coverage for autism spectrum disorders.

I am a parent of a 4 year old son on the autism spectrum named Billy. Billy was diagnosed with autism by a Department of Health psychologist days before his third birthday. He had been receiving services for developmental delay from the Department of Health. On his 3rd birthday, the Department of Education assumed responsibility of his services and he attended a DOE Special Education Preschool for 5 months. Unfortunately, together with our team of experts in the fields of psychology and autism, we felt that the "Free Appropriate Public Education" (FAPE) guaranteed to my son by federal IDEA law, was not appropriate for my son's unique learning needs. We therefore were forced to remove Billy from the DOE school, place him in a private preschool, provide the Applied Behavior Analysis (ABA) therapy that we felt *was* appropriate for his disabling condition out of pocket, and file for due process in an attempt to help pay for these services.

With the changes we have made to Billy's education and therapy, he has made amazing improvement in one year. Here are some examples: Whereas before he could barely answer a simple question and spoke in terse, awkward 3-4 word phrases, now he is having conversations with us, speaking in sentences with over 10 words, and is able to express increasingly complex ideas. Whereas before the extent of his playing with toys was spinning the wheels of cars, now he plays appropriately, makes the "zoom zoom" sounds, and sometimes even narrates what he is doing. What I am most excited and thrilled about is that he is now talking to and interacting with not only his 2 year old sister, but also his peers in preschool.

**My husband and I are optimistic that with continued intensive therapy in his formative years, Billy will eventually shed his diagnosis and become a fully independent, contributing member of society.** It is most important to begin intensive therapy in the years

between 2 and 6 yrs old so that he will have the best chances of recovery. Without such therapy, children with autism become lifelong dependents of their families and the State. For each child affected by autism, the potential socioeconomic drain on public resources is immense.

The improvements I see in Billy are a direct result of his intense Applied Behavior Analysis (ABA) program. However, because this type of therapy is time consuming, highly individualized, and must be implemented by trained therapists and consultants, we truly pay through the nose. **Our costs range from $7,000 to over $10,000 per month. We bear these costs directly without assistance from the DOE or other governmental agencies.** Despite the exorbitant cost, it is all worthwhile to see our son understand and tell jokes, play appropriately with his toys, converse with us, and for us to see so many other skills emerging. We feel truly blessed that due to our present circumstances we are currently able to afford the therapy. However, it is still an enormous burden on our family. Any amount of financial help from insurance companies would help us immensely and would truly be appreciated.

Autism is a complex neurobiological disorder that currently affects 1 in 150 children, according to the Center for Disease Control. It is a medical diagnosis as defined in the DSM IV - Diagnostic and Statistical Manual of Mental Disorders Fourth Edition (ICD-9 code 299.0) which requires treatment services from trained medical professionals and a full-range of therapies. The therapies include speech therapy, occupational therapy, and intensive behavioral therapy, such as Applied Behavior Analysis (ABA), among others. With proper medical intervention and intensive therapies children with autism can improve to such an extent that they can enter mainstream classrooms unassisted. In our personal experience, such therapies are successful but expensive. Children with autism have been routinely denied coverage for necessary therapies by private health insurance companies. **It is incredulous that such a serious medical disorder has been universally denied coverage by medical insurance carriers. Medical insurance carriers must be required to provide coverage for Autism therapy. Currently these costs are borne by the State Departments of Education and Health and the families themselves.** Virtually all families of children with autism are deeply in debt as a result of the lack of insurance coverage for these necessary therapies. With the epidemic increase in prevalence of this disease, and because needed therapies are prohibitive due to cost, and as these children grow older without improvement, they will eventually become burdens of the State. It is no doubt that the State will be facing a crisis with already strained finances and resources. In the end, the victims will be our children.

In spite of the burdens of autism on the insurance companies, the government, the families, and society as a whole, the most important issue is the child. Dylan's Law is about all children with autism who deserve to have a better quality of life.

I respectfully urge you to pass House Bill 2727 and make insurance coverage for autism a reality. Children with autism in Hawaii deserve to have the opportunity to thrive.

Thank you for reading and considering my testimony. I will be appearing in person to testify in support of this bill.

Sincerely,

Kerri Wong

Kerri Wong, Mother of Billy

Teresa Chao Ocampo
215 N. King Street, Apt 207
Honolulu, HI 96817

March 17, 2008

Senator David Ige, Chair
Senator Carol Fukunaga, Vice Chair
Senate Committee on Health
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: Testimony for HB 2727 HD2, Monday, March 17, 2007, Room 16 at 1 p.m.

Dear Senator Ige, Fukunaka and Committee on Health,

I am writing to STRONLY SUPPORT HB 2727 HD2. This bill is an extremely important bill for children with Autism since it is related to their health and well being AND the future of our State. Consider the following facts.

In 2005, the CDC found that 8.9% of children from 0 to 17 years of age have asthma, up from 7.5% in 1995. According to estimates from Hawaii's DOH, there were over 28,600 children with childhood asthma in 2006. Although children may outgrow asthma, there are many who will not. Here in Hawaii, vog and other environmental pollutants can exacerbate this condition in children as well as adults requiring a lifetime of treatment throughout adulthood. This medical condition and the various complications related to asthma including respiratory failure, hospitalization, cardiac arrest, and emergency room visits ARE COVERED by Hawaii's health insurers.

According to the CDC's 2005 report, 1 in every 400 to 600 children less than 20 years of age has Type 1 Diabetes. Unlike childhood asthma, Type 1 diabetes cannot be out grown. Like asthma, this too can require a lifetime of treatment throughout adulthood. The treatment of diabetes and its complications such as renal failure, heart and blood vessel diseases, peripheral neuropathies, and blindness currently ARE COVERED by health insurance.

In a February 2007 CDC report, 1 out of 150 children have Autism compared to a 2004 report that found 1 in 166 children with Autism. In 2005, the CDC found that as many as 24,000 children are diagnosed with Autism in the US every year. In 2006, the CDC found that 5.5 out of every 1000 SCHOOL-AGED children are diagnosed with Autism. It has been proven that children diagnosed with Autism who receive intensive treatment early in life including those such as Applied Behavioral Analysis, Speech Therapy, Physical Therapy, Occupational Therapy in addition to Psychological services can learn to function independently in society as adults.

Unlike childhood asthma and diabetes, Autism DOES NOT REQUIRE A LIFETIME OF TREATMENT and therefore, in comparison, could not possibly "cost" as much to Hawaii's health insurers as they claim. To make this even more inequitable for our children, Hawaii's health insurers DO NOT RECOGNIZE AUTISM AS A MEDICAL CONDITION and therefore, the treatment for Autism IS NOT A BENEFIT from Hawaii's health insurers.

Statistics from Hawaii's Department of Education show that Hawaii's School-Aged Autism population EXCEEDS that of the national norm of 5.5 out of 1000. The following statistics come from the DOE's Performance Reports for the quarters October 2007-December 2007, 2006, 2005 and 2004.

| Count as of 12/30/Year | # Children under Autism Category (DOE) |
|---|---|
| 2002 | 646 |
| 2003 | 788 |
| 2004 | 897 |
| 2005 | 975 |
| 2006 | 1025 |
| 2007 | 1133 |

The official DOE enrollment for School Year 2007-2008 is 171,712 children. **However, with 1133 children under the Autism category currently in the DOE, 0.66% (1133 out of 171,712) compared to the CDC's estimate of 0.55% (5.5 in 1000 School Aged children) with Autism, Hawaii's children are being diagnosed at a rate HIGHER than the national average.**

**In the 5 year time period from 2002 to 2007, the Autism population of School-Aged students in Hawaii's DOE INCREASED BY 75.4%.** This statistic does not even include those children who are not of school-age. What will it be in another 5 years, 10 years? Our children need help now.

Health insurers need to recognize Autism as a condition that is medically treatable with medically necessary therapies. The DOE currently provides minimal services including speech, occupational therapy and physical therapy; however, these services are NOT medically based. They are educationally based. Since they are educationally based, these services are too narrowly focused to truly help the child to acquire practical and functional skills needed to freely participate in a community or society where the child can survive independently.

This is why HB 2727 HD2 is so important to our children. Our children deserve a chance to become independent, contributing individuals in our society. The time frame upon which to apply these medical interventions is very narrow. If left untreated, these children may have no choice but to rely on the State as adults beginning at age 21 for support including room and board at a day foster care facility, a living stipend, medical and dental insurance, transportation and other daily living expenses. This could easily add up to an additional 60 years until 80 years of age, the average life expectancy of Hawaii residents. The financial consequences of providing MILLIONS of State dollars PER individual PER lifetime will be much less if a bill such as HB 2727 HD2 is in place.

Does it make more financial sense to have health insurers cover in the short term, a treatable MEDICAL condition that SHOULD be a health insurance benefit to Autistic children in the first place? Or is it more financially practical to have the State take on the burden of providing social services to these untreated adults so that they can merely coexist in society and remain totally dependent on these services for up to perhaps 60 years or more throughout their entire adulthood?

Based on statistics from the US Department of Education and other governmental agencies, Autism is growing at a rate of 10 to 17 percent per year. At these rates, it is estimated that the prevalence of Autism could reach 4 million Americans in the next decade.

At 2, 3, 4, 5 years old, the time of diagnosis, it is highly unlikely that a child developed Autism as a mental illness from 0 to 5 years of life. They CAN develop a Neurological disorder at this age or any age involving the brain which should be a medical disorder. Autism is a neurological disorder that develops at an early age. Once a child is diagnosed with Autism, it will be a long journey from beginning to end, if there IS an end.

This is why it is so important that this Committee pass HB 2727 HD2, so that our children will have a chance to have a future.

**Again, I must reiterate, Autism DOES NOT require a lifetime of treatment.**

Sincerely,

Teresa Chao Ocampo
Parent of an Autistic Child
383-8636 (c)

## testimony

**From:** Krista Guiteras-Duncan [kristaleilani@msn.com]
**Sent:** Sunday, March 16, 2008 6:32 PM
**To:** testimony
**Cc:** Kalma Wong
**Subject:** IN SUPPORT OF HB 2727

Aloha Senator David Y. Ige, Chair and Senator Carl Fukunaga, Vice Chair,

I am a Social Worker who is in support of **House Bill 2727** set to be heard on March 17, 2008 at 1:00 pm. The children of Hawaii who are challenged with Autism Spectrum Disorder, parents, consumers, and communities need your kokua. Please pass this bill.

Mahalo nui, Krista Guiteras-Duncan

Krista Leilani Guiteras-Duncan
5333 Likini St. Ste. 1806
Honolulu, HI. 96818

**testimony**

---

**From:** Carolyn K Nomura [cknomura@hawaii.rr.com]
**Sent:** Sunday, March 16, 2008 8:24 PM
**To:** testimony
**Subject:** In Strong Support of HB2727

**Please include my testimony in the written record for**
**Senate Health Committee hearing:**
**Monday, March 17, 2008 @ 1:00p.m.**
Thank you.

March 16, 2008

Chair Senator David Ige
Vice Chair Senator Carol Fukunaga
Senate Health Committee
Hawaii State Capitol, Room 16
415 South Beretania Street
Honolulu, HI 96813

Re: In Strong Support of **HB2727 "Dylan's Law" a bill ensuring health insurance coverage for autism diagnosis and treatment**

Dear Chair Ige and Vice Chair Fukunaga,

I am writing to express my strong support for House Bill 2727. The children of Hawaii are in great need of help for treatment for autism. Autism is treatable as I have witnessed firsthand within my own family, and I also know the tremendous financial and emotional burden it bears upon our families. I urge you to please give this bill your full consideration. Please pass HB2727. Thank you for your time.

Sincerely,

Carolyn K. Nomura

## testimony

**From:** Scot & Lofisa Seguirant [seguirans001@hawaii.rr.com]
**Sent:** Sunday, March 16, 2008 8:37 PM
**To:** testimony
**Subject:** Please pass HB2727

Aloha Chair Senator David Ige and Vice-Chair Senator Carol Fukunaga,

We are parents of an Autistic child and we would like to support HB 2727. Please pass this very important bill.

Aloha, Scot & Lofisa Seguirant.

**testimony**

**From:** Sherri Henriques [sherrihenriques@yahoo.com]
**Sent:** Sunday, March 16, 2008 7:18 PM
**To:** testimony
**Subject:** Senate Health Committee - Dylan's Law HB2727

**Dear Chair Senator David Ige and Vice-Chair Senator Carol Fukunaga,**

**We are parents of a child with autism and support Dylan's Law HB2727. We strongly urge you to pass it.**

**Thank you very much.**

**Sincerely,**

**Peter and Sherri Henriques**
**ph. 735-9766**

**testimony**

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**From:** Pauline Fleischauer [auntyp.123@gmail.com]
**Sent:** Sunday, March 16, 2008 10:19 PM
**To:** testimony
**Subject:** Re: HB2727 - "Dylan's Law"

I am a single mom of a child with autism; he's 5 and totally non-verbally. I do have him on everything that I can afford and it's very, very rigorous trying to manage it all. Having a law like "Dylan's Law" would really open up the possiblities of truly helping these children with autism. Please open up your eyes and your minds and your hearts and listen to the effectiveness a law such as this one can do for all the families that walk the walk that I do on a daily basis. Please pass "Dylan's Law" - HB2727.

Yours truly,
Pauline Fleischauer

TESTIMONY IN SUPPORT OF H.B. 2727 HD2
RELATING TO HEALTH INSURANCE

Submitted to the

Committee on Health
Senator David Ige, Chair
Senator Carol Fukunaga , Vice Chair

By
Richard Cox, Kapolei

Chair Ige:

My wife and I are the parents of a child with autism. We support this bill and strongly urge its passage.

Only in the past 20 years has autism been recognized as a treatable medical condition and that those with autism have the ability, as well as the right, to take their place in society, to make their unique contributions just as the rest of us do. Unfortunately autism is accompanied by a host of other medical problems as well, including motor skills impairments, vision impairments, gastrointestinal problems, etc.

The challenges and costs of helping those with autism are significant and borne primarily by their families. Because autism has traditionally been seen as a mental health issue, and not as a medical condition, health insurance has not been available for its diagnosis and treatment. Thus, despite the overwhelming evidence that early intervention makes significant and permanent improvement in the health of children with autism, because insurance is not usually available to them, parents of children with autism must pay for the intensive (and expensive) treatments themselves. Many parents are then faced with the painful choice of incurring costs they can little afford or denying their children the early treatments that could mean the difference between a happy and productive life or a lifetime of institutional assistance.

Further, beyond the financial costs, there are significant familial and societal costs. Although there are conflicting reports about the rate of divorce among parents of children with autism, a 2004 study in Britain found that children with autism are raised by a single parent 70% more often than the norm. Another study in 2004 found that more than 50% of mothers of children with autism suffered significant psychological distress, to the point of requiring medication or psychotherapy.

Please help the parents and families of children with autism in Hawaii have a little less to cope with by requiring adequate insurance coverage for autism spectrum disorders. Please help ensure that children with autism are given the opportunity to receive the treatments that will help give them the health and happiness that the rest of us enjoy.

Please pass HB 2727 HD2.

## testimony

**From:** Ira I Wong [iraw@hawaii.edu]
**Sent:** Sunday, March 16, 2008 5:04 PM
**To:** testimony
**Subject:** HB2727 ("Dylan's Law ")

Chair Senator David Ige and Vice-Chair Senator Carol Fukunaga,

I am asking for your support of HB2727. As one who has relatives and friends with children afflicted with Autism, I have seen the financial and emotional hardship which this disorder brings to families firsthand. The passing of HB2727 would be a step in the right direction to improve the lives of local families with Autistic children.

I thank you for your time and consideration.

Aloha,

Ira Wong

"And in the end, the love you take is equal to the love you make." - The Beatles

**testimony**

**From:** N.D. [bookfanatic@hotmail.com]
**Sent:** Sunday, March 16, 2008 8:48 PM
**To:** testimony
**Subject:** FW: HB2727 "Dylan's Law"- Monday, March 17th at 1 p.m. in Room 16

Dear Chair Senator David Ige and Vice-Chair Senator Carol Fukunaga

I urge you to vote "yes" to Dylan's Law (HB2727) which mandates health insurance coverage for autism spectrum disorders. We need to make insurance coverage for autism a reality. The children with autism in Hawaii deserve to have the opportunity to thrive. We are not asking for the moon. We are asking health insurers cover treatments for a disorder just as they cover treatments for other disorders in the Diagnostic and Statistical Manual (DSM) of the American Psychiatric Association. This is not too much to ask.

Children with autism often have co-occurring conditions, such as behavioral problems, speech disorders, anxiety, muscle or joint problems, ear infections, gastro-intestinal problems, vision and hearing problems, and allergies. The wide range of co-occurring problems leads to their need for services from trained medical professionals and for a full-range of therapies. Mandated private health insurance coverage will provide services that are desperately needed by children with autism, who have greater health care needs than children without autism. The costs of this insurance reform are small and will have very little impact on the cost of health insurance premiums for the individual consumer despite what insurance companies may say.

Unfortunately, children with autism are often denied coverage for necessary therapies by private health insurance companies. The therapies frequently denied include speech therapy, occupational therapy, and intensive behavioral therapy, such as Applied Behavior Analysis (ABA). Applied Behavior Analysis (ABA) is a data-based intervention for autism that has a decades-long record of efficacy. ABA therapy has shown to increase educational placements and increased IQ levels of those with autism. This therapy is recognized by the U.S. Surgeon General's 2001 Report on Mental Health as being widely accepted as the effective treatment for autism. But insurers frequently deny ABA as a benefit, and families are often forced to pay for these costly services out of pocket. Too many local families of children with autism are deeply in debt as a result of the lack of insurance coverage for these necessary therapies. However, the cost of paying for the therapies out of pocket not only causes financial strain for the families, but it also causes heavy emotional distress. For many of these families, the stress is more than they can bear and many of the marriages end in divorce.

Without passage of legislation requiring private health insurance coverage for autism, the costs associated with autism will continue not only to affect families, but will have far reaching social effects as well. Dylan's Law is about all children with autism who deserve to have a better quality of life than what they get from insurance companies now. Thanks for allowing me to provide my testimony. Please feel free to contact me should you have questions about this matter.

Sincerely,
Dan Santos
619 Keolu Drive
Kailua, HI 96734
226-0398

**testimony**

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**From:** Yamamoto, Fay A. (DHR) [fyamamoto@honolulu.gov]
**Sent:** Monday, March 17, 2008 9:56 AM
**To:** testimony
**Subject:** Senate Health Committee, March 17, 2008 at 1:00 p.m.; HB2727

Fay Yamamoto
2832 Kalawao Street
Honolulu, HI 96822

March 17, 2008

EMAIL

Senator David Ige
16th Senatorial District
Hawaii State Capitol, Room 215
415 South Beretania Street
Honolulu, HI

Senator Carol Fukunaga
11th Senatorial District
Hawaii State Capitol, Room 216
415 South Beretania Street
Honolulu, HI 96813

RE: Dylan's Law, HB 2727, Relating to Health Insurance, Mandatory Health Coverage; Autism Spectrum Disorders, March 17th, 1:00 p.m.

Dear Chair Ige, Vice Chair Fukunaga and Members of the Senate Health Committee:

Thank you for receiving my testimony on this important bill. I am a parent of a child with autism.

Please support HB 2727 to ensure that children diagnosed with autism spectrum disorders receive appropriate care and treatment.

Thank you for your attention to this matter.

Sincerely,

Fay Yamamoto
754-8999

# HB2271

# HD1

Measure Title:
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST CASTLE MEDICAL CENTER AND ITS AFFILIATES.

Report Title:
Special Purpose Revenue Bonds; Castle Medical Center ($)

Description:
Authorizes special purpose revenue bonds to assist Castle Medical Center. Effective July 1, 2020. (HB2271 HD1)

Companion:
SB2397

Introducer(s):
CHONG, GREEN, ITO, MIZUNO, WATERS

Current Referral:
HTH, WAM

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON HEALTH
ON
HOUSE BILL NO. 2271 H.D. 1

March 17, 2008

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST CASTLE MEDICAL CENTER AND ITS AFFILIATES.

House Bill No. 2271, H.D. 1, authorizes the issuance of special purpose revenue bonds to assist Castle Medical Center, and one or more of its nonprofit affiliates, to finance the construction and improvement of health care facilities pursuant to Part II, Chapter 39A, Hawaii Revised Statutes.

The Department recommends additional language be included in two Sections of the bill, as follows (new language underlined):

"SECTION 4. The department of budget and finance is authorized, from time to time, <u>including times subsequent to June 30, 2013</u>, to issue special purpose revenue bonds..."

"SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, <u>2013</u>."

The amendment to Section 5 will make the special purpose revenue bond authorization consistent with Act 148, Session Laws of Hawaii 2001, which states that no authorization shall be made for a period exceeding five years of its enactment. The amendment to Section 4 will allow the Department to refund the special purpose revenue bonds after the June 30, 2013 lapse date, if advantageous to Castle Medical Center.

TO: Senate Committee on Health
The Hon. David Y. Ige, Chair
The Hon. Carol Fukunaga, Vice Chair

**Testimony In Support of House Bill 2271 HD1**
**Relating to the Issuance of Special Purpose**
**Revenue Bonds to Assist Castle Medical Center**
**Submitted by Jack Hoag**
**March 17, 2008, 1:00 p.m., Conf. Rm. 016**

Thank you for the opportunity to testify before the Senate Committee on Health. My name is Jack Hoag, and I am on the governing board for Castle Medical Center. I am here to testify in support of House Bill 2271 HD1 relating to the issuance of special purpose revenue bonds to assist Castle Medical Center.

Castle Medical Center is a full-service medical center which offers a wide range of medical and surgical care to patients residing in Windward Oahu. Castle Medical Center is a leader in technology and innovation. It is continually adding new therapies and technologies and incorporating advancements in medical care to improve services to its patients. For example, innovations in imaging and scanning technology have allowed Castle Medical Center to provide its patients with the best treatments and care available. Its many outreach programs serve the medical needs of the Windward community.

The governing board works closely with the administration of Castle Medical Center in an effort to provide the highest quality patient-centered health care services to the Windward community. In addition to retaining qualified and dedicated physicians and other hospital staff, this effort requires capital in order for Castle Medical Center to continue to meet the health care needs of the community. The issuance of special purpose revenue bonds will allow Castle Medical Center access to lower cost loans as it continues to modernize its facilities and purchase state-of-the-art equipment to keep in step with advances in the health care field.

In order for Castle Medical Center to remain on the forefront of patient-centered health care, I urge you to support House Bill 2271 HD1. Thank you for the opportunity to testify in favor of this bill.

651859.V3
3/13/08

TO: Senate Committee on Health
The Hon. David Y. Ige, Chair
The Hon. Carol Fukunaga, Vice Chair

**Testimony In Support of House Bill 2271 HD1**
**Relating to the Issuance of Special Purpose**
**Revenue Bonds to Assist Castle Medical Center**
**Submitted by Kevin A. Roberts, President and CEO**
**March 17, 2008, 1:00 p.m., Conf. Rm. 016**

Thank you for the opportunity to testify before the Senate Committee on Health. My name is Kevin A. Roberts, and I am the President and Chief Executive Officer of Castle Medical Center. I am here to testify in support of House Bill 2271 HD1 relating to the issuance of special purpose revenue bonds to assist Castle Medical Center.

Castle Medical Center first opened its doors in 1963, after a long struggle to establish a Windward hospital, with its primary mission to meet the needs of the community. It is owned and operated by Adventist Health, a nineteen hospital system, which promotes wellness and treatment of the whole person – mind, body and spirit.

Today, Castle Medical Center is a 160-bed facility with more than 1,000 employees and 256 physicians in a wide range of specialties and subspecialties. Castle Medical Center serves all of Oahu and is the primary health care facility for Windward Oahu. It is a full service medical center including a 24-hour emergency department, a wide range of inpatient, outpatient, and home-based services, and specialty services such as wellness and lifestyle medicine, chemotherapy clinic, Hawaii Muscular Dystrophy Association Clinic, joint care center, cardiac rehabilitation and interventional cardiology. Many of Castle Medical Center's most successful programs are focused on preventive medicine and the promotion of healthy life habits.

In 2006, Castle Medical Center completed construction on a $15.5 million project that includes a new three-story patient care wing. This project provides additional space for private patient rooms within the 160-bed hospital, and renovation of existing hospital facilities as well as patient rooms. The new rooms are part of a three-story, 15,000 square foot tower built at the rear of the hospital.

House Bill 2271 HD1 would grant Castle Medical Center, a Hawaii not-for-profit corporation, the authorization to issue up to $30 million in special purpose revenue bonds for the purpose of financing and refinancing equipment purchases, and constructing and improving health care facilities at Castle Medical Center.

From a facilities perspective, Castle Medical Center has many needs, such as financing and refinancing equipment purchases, and constructing and improving health care facilities, including the following:

1. Remodeling and rebuilding existing health care facilities;
2. Constructing new health care facilities;

3. Purchasing new equipment;
4. Refinancing debt; and
5. Other related projects for Castle Medical Center and its affiliated nonprofit affiliations.

The bond proceeds will enable Castle Medical Center to continue to compete as a health care leader. Constructing new facilities, upgrading existing buildings, and acquiring new technology will strengthen our capability in critical areas of change such as cardiovascular, trauma, neuroscience, oncology, orthopedic, and behavioral disorders, as well as interventional and diagnostic imaging and minimally invasive surgery.

The field of health care is very dynamic, with advances occurring frequently in virtually every specialty area. A medical center such as Castle Medical Center will become obsolete before long unless facilities and equipment are regularly updated. The bonds authorized by this bill will enable Castle Medical Center to remain current and allow it to maintain its status as a leader in health care, and most importantly, to continue to meet the needs of the community.

On behalf of Castle Medical Center, I urge you to support House Bill 2271 HD1. Thank you for the opportunity to testify in favor of this bill which represents one of the most important and cost-effective actions the Legislature can take to support Castle Medical Center.

TO: Senate Committee on Health
The Hon. David Y. Ige, Chair
The Hon. Carol Fukunaga, Vice Chair

**Testimony In Support of House Bill 2271 HD1**
**Relating to the Issuance of Special Purpose**
**Revenue Bonds to Assist Castle Medical Center**
**Submitted by David Randell, M.D.**
**March 17, 2008, 1:00 p.m., Conf. Rm. 016**

Thank you for the opportunity to testify before the Senate Committee on Health. My name is Dr. David Randell, and I am on the medical staff at Castle Medical Center specializing in Ophthalmology. I am testifying in support of House Bill 2271 HD1 relating to the issuance of special purpose revenue bonds to assist Castle Medical Center.

Castle Medical Center is the primary health care facility on Windward Oahu, which includes residents living in Laie, Kaneohe, Kailua, and Waimanalo. Castle provides a full range of patient care services including a 24-hour emergency department, inpatient, outpatient, and surgical and intensive care services; specialized programs such as cardiopulmonary and diabetic services; diagnostic imaging and laboratory services; rehabilitation programs and services; and multi-specialties such as the surgical weight loss institute and the wellness and lifestyle medicine center.

Castle Medical Center's primary mission is to meet the needs of the community. It accomplishes this with modern facilities, state-of-the-art equipment, as well as board-certified physicians and other qualified and dedicated hospital staff.

The health care industry is very dynamic and technological advances occur frequently. In order to continue to maintain its status as a health care leader and to provide much needed services to the community, I urge you to support House Bill 2271 HD1. Thank you for the opportunity to testify in favor of this bill.

Healthcare Association of Hawaii

SENTE COMMITTEE ON HEALTH
Senator David Ige, Chair

Conference Room 016
March 17, 2008 at 1:00 p.m.

**Testimony in support of HB 2271 HD 1.**

I am Rich Meiers, President and CEO of the Healthcare Association of Hawaii, which represents the entire spectrum of health care, including acute care hospitals, two-thirds of the long term care beds in Hawaii, as well as home care and hospice providers. Thank you for this opportunity to testify in support of HB 2271 HD 1, which authorizes the issuance of special purpose revenue bonds (SPRBs) for Castle Medical Center.

State law authorizes the Department of Budget and Finance to issue SPRBs for certain types of projects that benefit the community. These projects include health care facilities that are provided to the general public by not-for-profit corporations.

SPRBs are attractive to corporations because they reduce the cost of financing capital projects. At the same time, they are attractive to investors because the interest income derived from them is exempt from State taxes.

It should be noted that the issuance of SPRBs does not involve any appropriation or expenditure of State funds, and it does not affect the financial liability of the State. The bonds are backed by the revenue from the particular project funded by the non-profit corporation.

Castle Medical Center intends to use the SPRBs as a means of financing the outpatient infrastructure of the facility, including renovations to the emergency department, replacement of the pharmacy, and expansion of the imaging center. In providing financial support to Castle Medical Center, this bill will improve access to health care, especially to residents of windward Oahu.

For the foregoing reasons, the Healthcare Association of Hawaii supports HB 2271 HD 1.

932 Ward Avenue Suite 430 Honolulu, Hawaii 96814-2126 Phone: 808/521-8961 FAX: 808/599-2879

# HB1047

# HD3

Measure Title:
RELATING TO MARRIAGE AND FAMILY THERAPISTS.

Report Title:
Marriage and Family Therapists; Reimbursable Services

Description:
Includes marriage and family therapy among the mental illness, alcohol and drug dependence benefits required within the hospital and medical coverage offered under accident and sickness insurance policies and similar insurance products.

Introducer(s):
CARROLL, HANOHANO, SONSON, Brower, Lee, Takumi, Tokioka, Yamashita

Current Referral:
HTH, CPH

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: (808) 586-2850
Fax Number: (808) 586-2856
www.hawaii.gov/dcca

LAWRENCE M. REIFURTH
DIRECTOR

RONALD BOYER
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON HEALTH

TWENTY-FOURTH LEGISLATURE
Regular Session of 2008

Monday, March 17, 2008
1:00 p.m.

WRITTEN TESTIMONY ONLY

**TESTIMONY ON HOUSE BILL NO. 1047, HD 3 – RELATING TO HEALTH INSURANCE.**

TO THE HONORABLE DAVID Y. IGE, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is J. P. Schmidt, State Insurance Commissioner ("Commissioner"), testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The Department takes no position on this bill, which adds marriage and family therapists to the existing mental health and substance abuse treatment mandated benefit.

The Department does not have the medical expertise necessary to express an informed opinion on the merits of this bill. However, while mandated benefits help some patients, they also increase premiums for consumers. It should also be noted that prior to enacting mandatory health insurance coverage, there must be a review by the Legislative Auditor pursuant to Hawaii Revised Statutes section 23-51. It is not clear whether this applies to amendments to existing mandated benefits, but that issue should be researched.

We thank this Committee for the opportunity to present testimony on this matter.

HMSA

Blue Cross
Blue Shield
of Hawaii

An Independent Licensee of the Blue Cross and Blue Shield Association

March 17, 2008

The Honorable David Ige, Chair
The Honorable Carol Fukunaga, Vice Chair

Senate Committee on Health

**Re: HB 1047 HD3 – Relating to Marriage and Family Therapists**

Dear Chair Ige, Vice Chair Fukunaga and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 1047 HD3 which would include Marriage and Family Therapists as recognized providers under HRS 431M.

HMSA believes that since legislation to accomplish this was passed into law during the 2007 legislative session, HB 1047 HD3 is unnecessary. Act 38 was passed into law and placed Marriage and Family Therapists in the definition of providers required to be recognized by health plans under HRS 431M.

Thank you for the opportunity to testify on HB 1047 HD3.

Sincerely,

Jennifer Diesman
Assistant Vice President
Government Relations

# HB2816

# HD2

Measure Title:
RELATING TO SUBSTANCE ABUSE.

Report Title:
Clean and Sober Homes; Licensure

Description:
Requires the licensing of clean and sober homes and the establishment of standard operating procedures. (HB2816 HD2)

Introducer(s):
AWANA, GREEN, MIZUNO, TAKAI, Brower, Marumoto, Rhoads, Tsuji

Current Referral:
HTH, CPH

LINDA LINGLE
GOVERNOR OF HAWAII

CHIYOME LEINAALA FUKINO, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

**Senate Committee on Health**

**HB 2816, HD 2, RELATING TO SUBSTANCE ABUSE**

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

**March 17, 2008**
**1:00 p.m.**

**Department's Position:** The Department of Health cannot support this bill.

**Fiscal Implications:** Two additional Department of Health FTEs and operating funds would be required to license clean and sober homes.

**Purpose and Justification:** The department strongly concurs that homes that provide substance abuse rehabilitative services and care should be monitored and licensed, and that is already being done by the department. Homes and facilities that provide these services in structured settings are called Special Treatment Facilities (STFs) and (residential) Therapeutic Living Programs (TLPs).

The purpose of clean and sober homes differs from the purpose of STFs and TLPs; it is to provide a home-like setting free of substance abuse as a step toward integration into the community rather than rehabilitative services or treatment. This is reflected in Hawaii Revised Statutes (HRS) Chapter 46-4 (12) (f): clean and sober homes "provide a stable environment of clean and sober living conditions to sustain recovery..." Per HRS Chapter 46-4 (12) (f) (3), residents in clean and sober homes "do not require twenty-four-hour supervision, rehabilitation, or therapeutic services or care in the home or premises." So, clean and sober homes may be viewed as a step beyond STFs and TLPs, bringing the resident closer to becoming part of the community once again.

The basic intent of this measure may be to ensure that there is some oversight of clean and sober homes due to neighborhood concerns about them. However, the department should not be considered a general enforcement body for these issues; it is a regulatory entity as it pertains to provisions for rehabilitation and therapy programs, and healthcare. It should not be licensing homes and providing oversight to homes that do not provide these services.

Thank you for the opportunity to testify.

Sen. Ige, Chair
Sen. Fukunaga, Vice-Chair
Health Committee

Sen. Sakamoto, Chair
Sen. Tokuda, Vice-Chair
Education Committee

**Georgette Aki**

**March 17, 2008 Time: 1:00pm Rm. 016**

**STRONG FULL SUPPORT OF HB2816 HD2: Relating to Clean & Sober Homes**

Aloha Chairs, Vice-Chairs and members of the committee:

My name is Georgette Aki, a resident of Waianae and a private citizen. I'm testifying in STRONG AND FULL SUPPORT of HB2816 HD2 relating to Clean and Sober homes operating under a standard that will assure public and neighborhood safety.

**It continues to be a concern when there are a number of people who are trying to stay clean and sober that seeks affordable housing and is able to strengthen their desire to sobriety that live without structure and accountability until it's too late. More often than not these so call "Clean and Sober" homes are operated by individuals who themselves are seeking recovery. Their ability to manage these homes comes from merely their own lives experiences and practicing principles rather than personalities. Sometimes those that enter into these homes are more fragile than what the home operator can handle causing the risk of relapse and potential situations to violence. It would be more sensible to have the operator of these types of home with a standard of operations so that the safety factors are addressed and the proper protocol of treatment whether intensive or maintenance is achieved.**

Thank you for allowing me this time to submit my testimony and request your favor to support this measure. For more information I can be contacted at 682-473

Mahalo,

Sen. Ige, Chair
Sen. Fukunaga, Vice-Chair
Health Committee

Sen. Sakamoto, Chair
Sen. Tokuda, Vice-Chair
Education Committee

**Sophina Placencia**

**March 17, 2008 Time: 1:00pm Rm. 016**

**STRONG FULL SUPPORT OF HB2816 HD2: Relating to Clean & Sober Homes**

Aloha Chairs, Vice-Chairs and members of the committee:

My name is Sophina Placencia, a homeowner and a private citizen. I'm testifying in STRONG AND FULL SUPPORT of HB2816 HD2 relating to Clean and Sober homes operating under a standard that will assure public and neighborhood safety.

**It continues to be a concern when there are a number of people who are trying to stay clean and sober that seeks affordable housing and is able to strengthen their desire to sobriety that live without structure and accountability until it's too late. More often than not these so call "Clean and Sober" homes are operated by individuals who themselves are seeking recovery. Their ability to manage these homes comes from merely their own lives experiences and practicing principles rather than personalities. Sometimes those that enter into these homes are more fragile than what the home operator can handle causing the risk of relapse and potential situations to violence. It would be more sensible to have the operator of these types of home with a standard of operations so that the safety factors are addressed and the proper protocol of treatment whether intensive or maintenance is achieved.**

Thank you for allowing me this time to submit my testimony and request your favor to support this measure. For more information I can be contacted at 779-1261

Mahalo,

Sen. Ige, Chair
Sen. Fukunaga, Vice-Chair
Health Committee

Sen. Sakamoto, Chair
Sen. Tokuda, Vice-Chair
Education Committee

**Tammy Pi'i**

**March 17, 2008 Time: 1:00pm Rm. 016**

**STRONG FULL SUPPORT OF HB2816 HD2: Relating to Clean & Sober Homes**

Aloha Chairs, Vice-Chairs and members of the committee:

My name is Tammy Pi'i, a homeowner, resident of Nanakuli and a private citizen. I'm testifying in STRONG AND FULL SUPPORT of HB2816 HD2 relating to Clean and Sober homes operating under a standard that will assure public and neighborhood safety. **It continues to be a concern when there are a number of people who are trying to stay clean and sober that seeks affordable housing and is able to strengthen their desire to sobriety that live without structure and accountability until it's too late. More often than not these so call "Clean and Sober" homes are operated by individuals who themselves are seeking recovery. Their ability to manage these homes comes from merely their own lives experiences and practicing principles rather than personalities. Sometimes those that enter into these homes are more fragile than what the home operator can handle causing the risk of relapse and potential situations to violence. It would be more sensible to have the operator of these types of home with a standard of operations so that the safety factors are addressed and the proper protocol of treatment whether intensive or maintenance is achieved.**

Thank you for allowing me this time to submit my testimony and request your favor to support this measure.

Mahalo,

Sen. Ige, Chair
Sen. Fukunaga, Vice-Chair
Health Committee

Sen. Sakamoto, Chair
Sen. Tokuda, Vice-Chair
Education Committee

**Stephanie Silipa**

**March 17, 2008 Time: 1:00pm Rm. 016**

**STRONG FULL SUPPORT OF HB2816 HD2: Relating to Clean & Sober Homes**

Aloha Chairs, Vice-Chairs and members of the committee:

My name is Stephanie Silipa, a homeowner, a single parent, a grandparent, resident of Maile and a private citizen. I'm testifying in STRONG AND FULL SUPPORT of HB2816 HD2 relating to Clean and Sober homes operating under a standard that will assure public and neighborhood safety.

**It continues to be a concern when there are a number of people who are trying to stay clean and sober that seeks affordable housing and is able to strengthen their desire to sobriety that live without structure and accountability until it's too late. More often than not these so call "Clean and Sober" homes are operated by individuals who themselves are seeking recovery. Their ability to manage these homes comes from merely their own lives experiences and practicing principles rather than personalities. Sometimes those that enter into these homes are more fragile than what the home operator can handle causing the risk of relapse and potential situations to violence. It would be more sensible to have the operator of these types of home with a standard of operations so that the safety factors are addressed and the proper protocol of treatment whether intensive or maintenance is achieved.**

Thank you for allowing me this time to submit my testimony and request your favor to support this measure.

Mahalo,

Sen. Ige, Chair
Sen. Fukunaga, Vice-Chair
Health Committee

Sen. Sakamoto, Chair
Sen. Tokuda, Vice-Chair
Education Committee

**Susan Lopez**

**March 17, 2008 Time: 1:00pm Rm. 016**

**STRONG FULL SUPPORT OF HB2816 HD2: Relating to Clean & Sober Homes**

Aloha Chairs, Vice-Chairs and members of the committee:

My name is Susan, a renter, resident of Waipahu and a private citizen. I'm testifying in STRONG AND FULL SUPPORT of HB2816 HD2 relating to Clean and Sober homes operating under a standard that will assure public and neighborhood safety.

**It continues to be a concern when there are a number of people who are trying to stay clean and sober that seeks affordable housing and is able to strengthen their desire to sobriety that live without structure and accountability until it's too late. More often than not these so call "Clean and Sober" homes are operated by individuals who themselves are seeking recovery. Their ability to manage these homes comes from merely their own lives experiences and practicing principles rather than personalities. Sometimes those that enter into these homes are more fragile than what the home operator can handle causing the risk of relapse and potential situations to violence. It would be more sensible to have the operator of these types of home with a standard of operations so that the safety factors are addressed and the proper protocol of treatment whether intensive or maintenance is achieved.**

Thank you for allowing me this time to submit my testimony and request your favor to support this measure.

Mahalo,

Sen. Ige, Chair
Sen. Fukunaga, Vice-Chair
Health Committee

Sen. Sakamoto, Chair
Sen. Tokuda, Vice-Chair
Education Committee

**Clarkson Bulawan**

**March 17, 2008 Time: 1:00pm Rm. 016**

**STRONG FULL SUPPORT OF HB2816 HD2: Relating to Clean & Sober Homes**

Aloha Chairs, Vice-Chairs and members of the committee:

My name is Clarkson Bulawan, a renter, resident of Pearl City and a private citizen. I'm testifying in STRONG AND FULL SUPPORT of HB2816 HD2 relating to Clean and Sober homes operating under a standard that will assure public and neighborhood safety. **It continues to be a concern when there are a number of people who are trying to stay clean and sober that seeks affordable housing and is able to strengthen their desire to sobriety that live without structure and accountability until it's too late. More often than not these so call "Clean and Sober" homes are operated by individuals who themselves are seeking recovery. Their ability to manage these homes comes from merely their own lives experiences and practicing principles rather than personalities. Sometimes those that enter into these homes are more fragile than what the home operator can handle causing the risk of relapse and potential situations to violence. It would be more sensible to have the operator of these types of home with a standard of operations so that the safety factors are addressed and the proper protocol of treatment whether intensive or maintenance is achieved.**

Thank you for allowing me this time to submit my testimony and request your favor to support this measure.

Mahalo,

Sen. Ige, Chair
Sen. Fukunaga, Vice-Chair
Health Committee

Sen. Sakamoto, Chair
Sen. Tokuda, Vice-Chair
Education Committee

**Kau'i Kapu**

**March 17, 2008 Time: 1:00pm Rm. 016**

**STRONG FULL SUPPORT OF HB2816 HD2: Relating to Clean & Sober Homes**

Aloha Chairs, Vice-Chairs and members of the committee:

My name is Kau'i Kapu, a renter, resident of Maili and a private citizen. I'm testifying in STRONG AND FULL SUPPORT of HB2816 HD2 relating to Clean and Sober homes operating under a standard that will assure public and neighborhood safety.

**It continues to be a concern when there are a number of people who are trying to stay clean and sober that seeks affordable housing and is able to strengthen their desire to sobriety that live without structure and accountability until it's too late. More often than not these so call "Clean and Sober" homes are operated by individuals who themselves are seeking recovery. Their ability to manage these homes comes from merely their own lives experiences and practicing principles rather than personalities. Sometimes those that enter into these homes are more fragile than what the home operator can handle causing the risk of relapse and potential situations to violence. It would be more sensible to have the operator of these types of home with a standard of operations so that the safety factors are addressed and the proper protocol of treatment whether intensive or maintenance is achieved.**

Thank you for allowing me this time to submit my testimony and request your favor to support this measure.

Mahalo,

Sen. Ige, Chair
Sen. Fukunaga, Vice-Chair
Health Committee

Sen. Sakamoto, Chair
Sen. Tokuda, Vice-Chair
Education Committee

**Rita Makekau**

**March 17, 2008 Time: 1:00pm Rm. 016**

**STRONG FULL SUPPORT OF HB2816 HD2: Relating to Clean & Sober Homes**

Aloha Chairs, Vice-Chairs and members of the committee:

My name is Rita Makekau, a renter, resident of Maili and a private citizen. I'm testifying in STRONG AND FULL SUPPORT of HB2816 HD2 relating to Clean and Sober homes operating under a standard that will assure public and neighborhood safety.

**It continues to be a concern when there are a number of people who are trying to stay clean and sober that seeks affordable housing and is able to strengthen their desire to sobriety that live without structure and accountability until it's too late. More often than not these so call "Clean and Sober" homes are operated by individuals who themselves are seeking recovery. Their ability to manage these homes comes from merely their own lives experiences and practicing principles rather than personalities. Sometimes those that enter into these homes are more fragile than what the home operator can handle causing the risk of relapse and potential situations to violence. It would be more sensible to have the operator of these types of home with a standard of operations so that the safety factors are addressed and the proper protocol of treatment whether intensive or maintenance is achieved.**

Thank you for allowing me this time to submit my testimony and request your favor to support this measure.

Mahalo,

Sen. Ige, Chair
Sen. Fukunaga, Vice-Chair
Health Committee

Sen. Sakamoto, Chair
Sen. Tokuda, Vice-Chair
Education Committee

**Kanani Kaaiawahia Bulawan**
**Kanaka Maoli, Private Citizen, Recovering Addict**

**March 17, 2008 Time: 1:00pm Rm. 016**

**STRONG FULL SUPPORT OF HB2816 HD2: Relating to Clean & Sober Homes**

Aloha Chairs, Vice-Chairs and members of the committee:

My name is Kanani Kaaiawahia Bulawan, a recovering addict, a kanaka maoli or what you would call a private citizen. I'm testifying in STRONG AND FULL SUPPORT of HB2816 HD2 relating to Clean and Sober homes operating under a standard that will assure public and neighborhood safety.

**It continues to be a concern when there are a number of people who are trying to stay clean and sober that seeks affordable housing and is able to strengthen their desire to sobriety that live without structure and accountability until it's too late. More often than not these so call "Clean and Sober" homes are operated by individuals who themselves are seeking recovery. Their ability to manage these homes comes from merely their own lives experiences and practicing principles rather than personalities. Sometimes those that enter into these homes are more fragile than what the home operator can handle causing the risk of relapse and potential situations to violence. It would be more sensible to have the operator of these types of home with a standard of operations so that the safety factors are addressed and the proper protocol of treatment whether intensive or maintenance is achieved.**

Thank you for allowing me this time to submit my testimony and request your favor to support this measure. For more information I can be contacted at 783-9302

Mahalo,

# HB3106

Measure Title:
RELATING TO GRADUATES OF FOREIGN ACUPUNCTURE PROGRAMS.

Report Title:
Acupuncturists; examination and licensure

Description:
Requires applicants for acupuncture licensure who graduated from foreign institutes to have their educational information evaluated by a professional crediting evaluator as a prerequisite for taking an exam and getting a license in Hawaii.

Package:
Governor

Companion:
SB3028

Introducer(s):
SAY (BR)

Current Referral:
HTH, CPH

**PRESENTATION OF THE**
**BOARD OF ACUPUNCTURE**

TO THE SENATE COMMITTEE ON HEALTH

TWENTY-FOURTH LEGISLATURE
Regular Session of 2008

Monday, March 17, 2008
1:00 p.m.

**TESTIMONY ON HOUSE BILL NO. 3106, RELATING TO GRADUATES OF FOREIGN ACUPUNCTURE PROGRAMS.**

TO THE HONORABLE DAVID Y. IGE, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Dr. Gary Saito, Chiropractor, and I am a public member of the Board of Acupuncture ("Board"). The Board has authorized me to speak on its behalf. The Board appreciates the opportunity to testify in strong support of House Bill No. 3106, which is an Administration bill.

Your Committee had heard the companion measure, S.B. No. 3028 on February 21, 2008, and passed it out unamended.

This bill proposes to authorize the Board to require foreign-educated acupuncture applicants, at the applicant's own expense, to have their educational information evaluated by a Board-approved professional credentialing evaluator as a prerequisite for examination and licensure. Doing so will assist the Board in understanding the foreign academic credentials, as well as provide it the opportunity to conduct a well-informed and objective review of the applicant's educational qualifications.

Further, the Board believes that amending section 436E-5(d), H.R.S.,

to authorize the Board to require graduates of foreign acupuncture programs to submit their educational information to a credential evaluator, will assist the Board in ensuring that all applicants for acupuncture examination and licensure, regardless of whether they attained their education in the U.S. or at a foreign program, meet the same high standards of acupuncture education that the legislature intended.

Thank you for the opportunity to testify in strong support of this bill.

# HB2675

# HD2

Measure Title:
RELATING TO MEDICAL MARIJUANA.

Report Title:
Medical Marijuana

Description:
Creates the medical marijuana task force to discuss issues regarding adequate supplies of medical marijuana for qualified patients, the value of constructing secure growing facilities for medical marijuana patients to use to produce their medicine, and study inter-island travel issues related to medical marijuana. (HB2675 HD2)

Introducer(s):
SAY (BR)

Current Referral:
HTH, JDL

LINDA LINGLE
GOVERNOR

STATE OF HAWAII
**DEPARTMENT OF PUBLIC SAFETY**
919 Ala Moana Boulevard, 4th Floor
Honolulu, Hawaii 96814

CLAYTON A. FRANK
DIRECTOR

DAVID F. FESTERLING
Deputy Director
Administration

TOMMY JOHNSON
Deputy Director
Corrections

JAMES L. PROPOTNICK
Deputy Director
Law Enforcement

No. _____

TESTIMONY ON HOUSE BILL 2675 HD2
RELATING TO MEDICAL MARIJUANA
by
Clayton A. Frank, Director
Department of Public Safety

Senate Committee on Health
Senator David Y. Ige, Chair
Senator Carol Fukunaga, Vice Chair

Monday, March 17, 2008, 1:00 p.m.
State Capitol, Room 016

Senator Ige, Senator Fukunaga, and Members of the Committee:

The Department of Public Safety (Department) feels that House Bill 2675 HD2 is not necessary due to the fact that we already know that under present State and Federal laws, the State of Hawaii could not develop a secure grow facility for medical marijuana on any of the islands unless authorized by way of a controlled substance research permit by the State and the Federal Government. Further, the transporting of marijuana between islands utilizing areas controlled by Federal law enforcement would still be prohibited, no matter what the proposed focus group came up with. The Department feels that there is no value in convening another taskforce or focus group unless there is a change in Federal law relating to marijuana.

Due to these reasons and concerns the Department does not support House Bill 2675 HD2.

Thank you for this opportunity to testify.

DEPARTMENT OF THE PROSECUTING ATTORNEY
CITY AND COUNTY OF HONOLULU
ALII PLACE
1060 RICHARDS STREET, HONOLULU, HAWAII 96813
AREA CODE 808 • 527-6494

PETER B. CARLISLE
PROSECUTING ATTORNEY

DOUGLAS S. CHIN
FIRST DEPUTY
PROSECUTING ATTORNEY

**THE HONORABLE DAVID IGE, CHAIR**
**SENATE COMMITTEE ON HEALTH**
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

March 17, 2008

**RE: H.B. 2675, H.D. 2; RELATING TO MEDICAL MARIJUANA.**

Chair Ige and members of the Senate Committee on Health, the Department of the Prosecuting Attorney of the City and County of Honolulu submits the following testimony in opposition to H.B. 2675, H.D. 2.

The purpose of this bill is to set up a medical marijuana task force which shall: 1) examine current laws regarding the adequate supply of marijuana for medical use; 2) study the feasibility of setting up safe growing facilities on the islands of Hawaii, Kauai, Lanai, Maui, Molokai and Oahu; and 3) seek possible solutions to issues of inter-island travel with medical marijuana.

We oppose this bill and the creation of a task force as being unnecessary. We believe the current three ounce limitation for medical marijuana is sufficient. And as the possession and distribution of marijuana is still a violation of federal law, we cannot see how a task force could make suggestions regarding safe growing facilities or somehow permitting medical marijuana to be transported inter-island.

For these reasons, we respectfully request that you hold H.B. 2675, H.D. 2 and thank you for this opportunity to testify.

**testimony**

**From:** DaCoconutWireless [DaCoconutWireless@hawaii.rr.com]
**Sent:** Sunday, March 16, 2008 10:53 AM
**To:** testimony
**Subject:** TESTIMONY IN STRONG SUPPORT OF HB 2675 HD2

TESTIMONY IN STRONG SUPPORT OF HB 2675 HD2

RELATING TO MEDICAL MARIJUANA.
Creates the medical marijuana task force to discuss issues regarding adequate supplies of medical marijuana for qualified patients, the value of constructing secure growing facilities for medical marijuana patients to use to produce their medicine, and study inter-island travel issues related to medical marijuana. (HB2675 HD2)

NOTICE OF HEARING
Monday, March 17, 2008 @ 1:00 PM
Conference Room 016

COMMITTEE ON HEALTH
Senator David Y. Ige, Chair
Senator Carol Fukunaga, Vice Chair

Scott Orton, an HIV/AIDS Awareness Advocate
1130 Hassinger St. #3A
Honolulu, HI 96822
DaCoconutWireless: Community E-mail Communications for HIV Issues, Editor

**Aloha Senator David Y. Ige, Chair, Senator Carol Fukunaga, Vice Chair, and Committee Members,**

My name is Scott Orton, and I am writing to testify in strong support of House Bill 2675 HD2. The toxic medications for HIV are sometimes very difficult to take. And Marijuana use makes the difference between being able to take the necessary drugs to survive. Marijuana is hard to grow, and a seasonal plant. This bill will help in improving the Medical Marijuana Law. A lot of very hard work by the House Health Committee was put into this version of this House Bill 2675 HD2 as amended.

The issue is all about access to supply for those who are licensed for Medical Marijuana. This is very important to those that are sick need to grow and maintain a supply of Legal Medical Marijuana. We need to support in every way the LEGAL USE of MEDICAL MARIJUANA. Access to this important herb is imperative to many that are sick and can't take the medications needed to stay alive.

Please help those that are in need medically, with improving the law on Medical Marijuana law. This is a very important herb that many that are sick need. It makes good sense to update, discuss, and find solutions to this controversial measure.

Love and Aloha,

***Scott Orton,*** *an HIV/AIDS Awareness Advocate*

1130 Hassinger St. #3A

Honolulu, HI 96822 Ph: 808-383-2016

Testimony in strong support of House Bill 2675 HD2
Bcc: DaCoconutWireless Members and Others

3/16/2008

**testimony**

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**From:** Alfred [wyliea001@hawaii.rr.com]
**Sent:** Saturday, March 15, 2008 8:22 PM
**To:** testimony
**Subject:** Medical Marijuana Bill

Gentlemen,

I am writing this letter in support of medical marijuana (MM) bill HB2675_HD2_. I am a 100% disabled American Vietnam era veteran. I get my disability for scars and PTSD.

70% of my scars are due to radiation poisoning and the rest to other wounds. I was a Nuclear Weaponsman in the Navy. I am currently 67 years old and a licensed medical marijuana user MJ-08616.

I find it impossible to grow enough MM to keep my self supplied under the current amount allowed. Furthermore, as I get older my dosage levels increase due to old age. Those of you who are older are well aware of the increase in pain levels in old scars due to aging.

Also, I speak as a veteran who has shed hid blood and others for his country.

I feel it is a travesty of human rights to allow the alcohol and tobacco industry to continue to suppress the use of marijuana, especially since it is less harmful then current addictive legal drugs, even if it does cut into the profit line of said legal drugs.

Sincerely,

Alfred Lee Wylie MA, MFCC(ret), Jr. Col. Teach. Cred., Ol

PO Box 1073
Haiku, HI 96708
808-575-9484

MPP **Marijuana Policy Project**

**P.O. Box 77492 ▮ Capitol Hill ▮ Washington, D.C. 20013**
**PHONE 202-462-5747 ▮ FAX 202-232-0442**
**MPP@MPP.ORG ▮ http://www.mpp.org**

March 17, 2008

Dear members of the Senate Health Committee:

The Marijuana Policy Project strongly supports HB 2675, which would ensure that some of the most pressing issues surrounding Hawaii's medical marijuana program are addressed in a scholarly manner.

Creating a task force to examine how much medical marijuana constitutes an adequate supply, the feasibility of constructing secure growing facilities where patients can acquire their medicine, and the issues involved in the inter-island transport of medical marijuana is a good idea for several reasons. The most important reason is that if Hawaii does not address these issues today, they will still need addressing tomorrow.

Because HB 2675 proposes that state officials, physicians, and patients comprise the team that will tackle these issues, the best possible discussion will be facilitated, which will better serve patients and the state of Hawaii in the end.

Perhaps the most important of the three issues that the task force would address is the acquisition of medicine. Patients who are unskilled in horticulture, or who are unable to find a caregiver, must rely on the criminal market for their medicine. This is bad public policy for obvious reasons, including patient safety and the quality of medicine procured. The fact that current Hawaii law only allows caregivers to serve one patient at a time further complicates the task of acquiring medicine for many sick and dying patients.

Patients who are terminal or in severe pain, or suffer from the sudden onset of nausea or muscle spasms, need immediate relief. For most of these patients, there is simply not enough time to secure seedlings, cultivate, harvest, and cure the medicine. This is a reality that is often overlooked but is of utmost importance.

HB 2675 only empanels the task force for one year, after which time they will report back to the legislature and cease to exist. This bill proposes no permanent changes to current Hawaii law – there is simply no reason to not pass this bill.

Thank you for your consideration and hard work on these issues.

Sincerely,

Nathan Miller, Esq.
Legislative Analyst
Marijuana Policy Project
P.O. Box 77492 - Capitol Hill
Washington, DC 20013
(202) 462-5747, ext. 118

# the Drug Policy Forum of hawai'i



P.O. Box 61233
Honolulu, HI 96839

Phone: (808)-988-4386
Fax: (808) 373-7064

Email: info@dpfhi.org
Website: www.dpfhi.org

March 17, 2008

To: Senator David Ige, Chair
Senator Carol Fukunaga, Vice Chair and
Members of the Committee on Health

From: Jeanne Y. Ohta, Executive Director

RE: HB 2675 HD2 Relating to Medical Marijuana
Hearing: March 17, 2008, 1:00 p.m., Room 016

Position: Strong Support

Good afternoon, the Drug Policy Forum of Hawai`i strongly supports HB 2675 HD2 which and would establish a taskforce to study certain issues related to the medical marijuana program.

We suggest that the committee amend this bill:

1. To ensure patients have an adequate supply of medical marijuana by increasing the allowable supply and eliminating the distinction between mature and immature plants. The maturity of plants if often difficult to distinguish by law enforcement personnel; they are not horticulturists and should not be placed into the position of determining how many mature vs. immature plants a patient possesses.
2. Broadening the scope of the taskforce to include other changes suggested by patients.

No changes have been made to the medical marijuana program since it was established in 2000. One of the most requested changes by patients is in the allowable adequate supply and in the distinction between mature and immature plants.

Hawaii's medical marijuana program allows patients to grow their own medicine; however, patients often complain that the plants are not that easy to grow to maturity; the weather affects the yield of their plants; and they cannot grow a consistent supply.

Patients who register with the medical marijuana program want to be law-abiding citizens. They do not want to go to the criminal market to purchase marijuana and do not want to add to the profits of criminals. This change would help them avoid that.

**Improving Access to Adequate Supply**
Hawaii's program allows patients to grow their own marijuana, but for a variety of reasons, many patients are unable to. Some are too sick to tend to the plants; some live in apartments or condominiums; some have had their plants stolen; and some are afraid that people will see their plants. Many patients I speak with are unfamiliar with the illegal market for marijuana or are uncomfortable with obtaining their marijuana through the illegal market.

Efforts need to me made to explore ways to provide a method for patients to obtain marijuana for their medical needs without patronizing the illegal market. It would establish a legal source other than having to grow their own medicine.

**Federal Interference**
Although medical marijuana programs are still not recognized by the federal government and such use is still against federal law; medical marijuana programs have continued to be enacted by states across the country. States have done so because the directors of both the Federal Bureau of Investigation and the Drug Enforcement Administration have stated publicly that their mandate is to pursue drug traffickers who deal in large quantities of illegal drugs. They do not have the resources to pursue medical marijuana patients who are restricted to 7 plants each. There are over 4,000 patients in Hawaii. So, the possibility of federal interference is based more on their priorities and their available resources rather than strictly enforcing federal law.

For a facility which grows marijuana, federal mandatory sentencing laws start at the possession of 100 plants. It would be unlikely that a facility growing less than 100 plants would attract federal attention as the federal government is responsible for only 1% of all marijuana prosecutions. The vast majority of the marijuana prosecutions are done at the state and county levels.

In January 2008 referring to federal raids on California's medical marijuana dispensaries, Northern California's United States Attorney Joseph Russoniello said, "We could spend a lifetime closing dispensaries and doing other kinds of drugs, enforcement actions, bringing cases and prosecuting people, shoveling sand against the tide. It would be terribly unproductive and probably not an efficient use of precious federal resources."

**The "Gateway Theory"**
While widely promoted in the sixties and seventies, the theory that marijuana is a "gateway" has been largely disproved and is no longer accepted by scientists in the addiction-related fields.

In March 1999, the Institute of Medicine issued a report that stated, "There is no conclusive evidence that the drug effects of marijuana are causally linked to the subsequent abuse of other illicit drugs." In addition, the National Center on Addiction and Substance Abuse says there is no proof that a causal relationship exists between cigarettes, alcohol, marijuana and other drugs; basic scientific and clinical research establishing causality does not exist.

Rand's Drug Policy Research Center in 2002 offers quantitative evidence that any association between marijuana and other drugs can be explained by the individuals' higher propensity to use drugs; not the specific drug itself.

**Teen Use of Marijuana**
Concerns that teen use of marijuana would increase because of medical marijuana programs are unfounded. In 2005 (and updated in 2007) the Marijuana Policy Project and Mitch Earleywine, Ph.D. of the State University of New York at Albany issued a report that analyzed data to determine teen trends in states with medical marijuana programs. It showed that no state with a medical marijuana law experienced an increase in youth marijuana use.

The 2005 Hawaii Youth Behavior Risk Survey showed a 22% decrease in lifetime use by Hawaii High School students since 1999. (The program was enacted in 2000.)

**Physicians Support of Medical Marijuana**
The American College of Physicians (ACP), a 124,000 member organization issued a position paper on medical marijuana (February 2008). Among the positions in that paper:

- ACP strongly supports exemption from federal criminal prosecution; civil liability; or professional sanctioning, for physicians who prescribe or dispense medical marijuana in accordance with state law.

- ACP strongly urges protection from criminal or civil penalties for patients who use medical marijuana as permitted under state laws.

- ACP urges review of marijuana's status as a schedule I controlled substance and its reclassification into a more appropriate schedule, given the scientific evidence regarding marijuana's safety and efficacy in some clinical conditions. (Schedule I drugs are drugs with no accepted medical use and high potential for abuse.)

The current Schedule I classification conflicts with reviews of the Institute of Medicine (IOM) which found that scientific studies support the medical use of marijuana for treatment; and that compared with other legal and illegal drugs, including alcohol and cocaine, dependence among marijuana users is relatively rare and dependence is less severe than dependence on other drugs.

The report also explains the concern that marijuana is a "gateway" drug is unfounded and that the IOM concluded that marijuana has not been proven to be the cause or even the most serious predictor of drug abuse. This continued confusion hinders opportunities to evaluate its medical uses and its availability to patients who need it.

We urge you to pass this measure which would help seriously ill patients in Hawaii. Thank you for hearing this bill and for this opportunity to testify.

HAWAII MEDICAL ASSOCIATION
1856

*OFFICERS*

Cynthia Jean Goto, MD
President

Gary Okamoto, MD
President Elect

Linda Rasmussen, MD
Immediate Past President

Thomas Kosasa, MD
Secretary

Jonathan Cho, MD
Treasurer

Paula Arcena
Executive Director

March 17, 2008

**PLEASE DELIVER to:**
**Senate Health Committee**
Monday
3/17/08
1:00pm
Room 016

To: Sen. David Ige, Chair
Sen. Carol Fukunaga, Vice Chair
Committee on Health

From: Cynthia J. Goto, M.D., President
Linda Rasmussen, M.D., Legislative Co-Chair
Philip Hellreich, M.D., Legislative Co-Chair
Paula Arcena, Executive Director
Dick Botti, Government Affairs Liaison

Re: HB2675 HD2 Relating to Medical Marijuana (Creates the medical marijuana task force to discuss issues regarding adequate supplies of medical marijuana for qualified patients, the value of constructing secure growing facilities for medical marijuana patients to use to produce their medicine, and study inter-island travel issues related to medical marijuana.)

The Hawaii Medical Association opposes HB2675 HD2.

We oppose these bills for the following reasons:

- The medical efficacy of marijuana has yet to be proven by evidence based scientific studies;
- Smoking marijuana exposes patients to, among other health risks, lung damage, increased symptoms of chronic bronchitis, and possibly increased risk of lung cancer. These are the same risk associated with smoking nicotine.

The HMA supports efforts to study and identification of the medical benefit of marijuana. However, until the efficacy of marijuana is demonstrated, we are unable to support access to medical marijuana.

The HMA supports the position of the American Medical Association, which is as follows:

1) The AMA calls for further adequate and well-controlled studies of marijuana and related cannabinoids in patients who have serious conditions for which preclinical, anecdotal, or controlled evidence

Hawaii Medical Association
1360 S. Beretania St.
Suite 200
Honolulu, HI 96814
(808) 536-7702
(808) 528-2376 fax
www.hmaonline.net

suggests possible efficacy and the application of such results to the understanding and treatment of disease;

2) The AMA recommends that marijuana be retained in Schedule I of the Controlled Substances Act pending the outcome of such studies.
3) The AMA urges the National Institutes of Health (NIH) to implement administrative procedures to facilitate grant applications and the conduct of well-designed clinical research into the medical utility of marijuana. This effort should include:
   a) disseminating specific information for researchers on the development of safeguards for marijuana clinical research protocols and the development of a model informed consent on marijuana for institutional review board evaluation;
   b) sufficient funding to support such clinical research and access for qualified investigators to adequate supplies of marijuana for clinical research purposes;
   c) confirming that marijuana of various and consistent strengths and/or placebo will be supplied by the National Institute on Drug Abuse to investigators registered with the Drug Enforcement Agency who are conducting bona fide clinical research studies that receive Food and Drug Administration approval, regardless of whether or not the NIH is the primary source of grant support.
4) The AMA believes that the NIH should use its resources and influence to support the development of a smoke-free inhaled delivery system for marijuana or delta-9-tetrahydrocannabinol (THC) to reduce the health hazards associated with the combustion and inhalation of marijuana.
5) The AMA believes that effective patient care requires the free and unfettered exchange of information on treatment alternatives and that discussion of these alternatives between physicians and patients should not subject either party to criminal sanctions.

Physicians work everyday to heal their patients and to alleviate pain and suffering.

This issue often solicits emotional testimonials from patients and their families who believe in the therapeutic value of marijuana.

However, physicians cannot ethically prescribe drugs which are not scientifically-proven.

Thank you for the opportunity to provide this testimony.

**dige2 - Joyce K**

**From:** James Anthony [jasanthony@comcast.net]
**Sent:** Sunday, March 16, 2008 3:54 PM
**To:** HTHInPerson
**Subject:** HB 2675 Hearing Mon 3/17 1:00 pm
**Attachments:** Resumé-CV-08-03.pdf; ATT220967676.htm

To whom it may concern:

Due to your late notice of hearing, I can only provide you with an outline of the remarks that I will make in person at the hearing and a copy of my CV indicating my expertise in medical cannabis legal and regulatory issues. I am also a board member of Law Enforcement Against Prohibition based on my experience as a City of Oakland civil prosecutor on drug nuisance property issues. www.leap.cc -- However,while I am available for general educational information as a LEAP representative, my testimony on the bill is provided as an individual unaffiliated expert and as a Hawaii-born kanaka maoli.

The Hawaii medical cannabis law has various serious flaws that merit the formation of a task force to make recommendations for improvement at the next legislative session. These flaws include the following.

1. The law in its current form does not allow doctors to be doctors, and instead substitutes the unqualified "medical" opinion of legislature, law enforcement and the bureaucracy for that of bona fide medical doctors.

2. The law makes no adequate provision for a reasonable supply and distribution system. The law absurdly requires patients to become farmers or to have their own personal farmer to obtain medicine.

The task force should be charged with examining the medical cannabis law of Hawaii in context with those of other states and to recommend changes to address its shortcomings.

Hawaii residents deserve adequate medical care and access to medicine. Anything less is a shameful failure on the part of the legislature and a capitulation to the narrow and misinformed views of a biased special interest group: local law enforcement.

Yours very truly,

James Anthony

James Anthony
Counselor and Attorney at Law

Law Offices of James Anthony
3542 Fruitvale Avenue, 351
Oakland, CA 94602
510/207-6243
510/228-0411 fax

MCD Lawyer
Statewide Practice Specializing in
Medical Cannabis Dispensary (MCD) Permit Law
Offices in Oakland and Los Angeles
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www.MCDLawyer.com

# *CURRICULUM VITAE*

LAW OFFICES OF JAMES ANTHONY
3542 Fruitvale Avenue, 351
Oakland, CA 94602
(510) 207-6243 *off*
(510) 228-0411 *fax*
*James@MCDLawyer.com*

## Bar Memberships

CALIFORNIA STATE BAR No. 23150. Active 1999-Present.

HAWAII STATE BAR No. JD 7911. 2003-Present (currently inactive).

## Legal Experience

LAW OFFICES OF JAMES ANTHONY, 3542 Fruitvale Avenue, 351, Oakland, CA 94602, (510) 207-6243 off., (510) 228-0411 fax, principal, January 2006 – Present.

Solo law practice specializing in land use aspects of Medical Cannabis Dispensary (MCD) law. Obtain permits in locally regulated jurisdictions; defend against nuisance and zoning actions brought by local government in state court; advise local jurisdictions on appropriate regulations; advocate for MCDs in every venue. Succesfully obtained cooperation of Mayor Dellums in publically supporting MCDs against DEA tactics (including landlord letters) and sending a letter to Rep. Conyers.

NEIGHBORHOOD LAW CORPS ATTORNEY (nonprofit "Community Prosecutor"), *Oakland City Attorney's Office*, 1 Frank H. Ogawa Plaza, 6th Flr., Oakland, CA, 94612, July 2003 – December 2005, $40,000 per year.

Addressed social issues through land use regulation and civil litigation: specifically, drug nuisance properties, problem liquor stores, and substandard rental housing by prosecuting judicially and administratively, and by recommending policy directives in the form of new ordinances and implementation programs for existing ones. Enforced agency determinations judically; defended against administrative mandamus appeals of same.
Supervisor: Jim Hodgkins, (510) 238-6135.

TELECOMMUNICATIONS ATTORNEY, *The Utility Reform Network (TURN)*, 711 Van Ness Ave., Ste. 350, San Francisco, CA, April 2001 - October 2002, $50,000 per year.

Advocated in the public interest at California Public Utilities Commission administrative hearings. Prepared policy positions on telecommunications issues.
Supervisor: Bob Finkelstein, (415) 929-8876.

ASSOCIATE ATTORNEY, *Paul & Hanley, LLP*, 1608 Fourth Street, Ste. 300, Berkeley, CA, 94710, (510) 559-9980, February 2000 - April 2001, $64,000 per year.

Performed all pre-trial aspects of plaintiff-side asbestos-exposure litigation.

CERTIFIED LAW CLERK, *Consumer and Environmental Protection Division, Alameda County District Attorney*, 7677 Oakport, Ste. 650, Oakland, CA, 94621, 1998 – 2000.
Supported civil prosecution of unfair business practices and elder abuse.
Supervisor: Bill Denny, (510) 569-9281.

LAW CLERK, *East Bay Community Law Center*, 3130 Shattuck Ave., Berkeley, CA, 94705,1999.
Represented welfare recipients at hearing. Co-edited county regulations. Prepared a plain English guide to reasonable accomodations in the welfare context.
Supervisor: Ed Barnes, (510) 548-4040.

## Legal Service

READER, *The State Bar of California*, 2000 - 2004
Graded bar exams semi-annually.

## Legal Education

JD, 1999, King Hall, UC Davis School of Law
Class Rank: Top 20%
Vice President, Law Students Association

## Political Activism and Community Service

Green Aid: The Medical Marijuana Legal Defense And Education Fund, Inc., Postal Mail Box # 172, 484 Lake Park Ave., Oakland, CA 94610
Chair, Board of Directors, September 2007 – Present.

Law Enforcement Against Prohibition, www.leap.cc
Member, Board of Directors, February 2008 – Present.
Speaker's Bureau, January 2006 – Present.

City of Oakland Measure Z (private adult cannabis lowest law enforcement priority) Community Oversight Committee
Vice-Chair, September 2006 – Present.

Pacific Zen Institute, www.pacificzen.org (zen meditation group)
President, Board of Directors, 2004 – Present.

## Presentations Given

Major Conferences:

California State Dept. of Health Early Intervention Program Conference, Long Beach, CA. April 14-16, 2008. Speaker on Drug Wars and institutional distrust.

Drug Policy Alliance International Conference, New Orleans, December 2007. LEAP (Law Enforcement Against Prohibition) panel member.

ASA (Americans for Safe Access), Symposium on Medical Cannabis Dispensaries (MCDs), November 2007. Presenter on Land Use Law.

NORML Conference (National Organization for the Reform of Marijuana Laws), Los Angeles, October 14, 2007. Special MCD Session panel member.

NORML Legal Committee NLC Conference, Aspen, Colorado, June 2007. Presenter on MCD Land Use Law.

NORML National Conference, San Francisco, September 2006. Presenter on MCD Land Use Law.

Other Events:

Invited to testify at Hawaii State House of Representatives Committee on Public Health re: MCDs & Medical Cannabis Regulation. March 2008.

Clinica Esperanza (multi-lingual San Francisco HIV/AIDS clinic), presentation to staff, "Cops Say Legalize Drugs—Ask Me Why." February 14, 2008.

Physicians for Social Responsibility Conference, Stanford University. LEAP speaker and representative. February 24, 2007.

All-Day Educational Conference, Mendocino Medical Marijuana Advisory Board, October 21, 2006. Speaker on drug prohibition and the DEA.

Freedom Fest, Butte County, CA, July 8, 2006. LEAP representative and speaker.

Monterey California Tour, June 7-9, 2006. Speaker on drug prohibition issues at civic clubs, college students, policy makers, and the media. Some noted presentations were at the Marina Rotary Club, Palo Alto Kiwanis, Libertarian Party of Fresno County, and FED-UP (Foundation to End Drug Unfairness Policies).

University of San Francisco class: Chemistry of Drugs (Upper Division Seminar), December 2, 2005. Speaker on the interaction between drug law and drug use.

## Major Conferences Attended

Drug Policy Alliance International Conference, Long Beach, November 2005.

## Radio Appearances

KRFP Radio Free Moscow 92.5 FM (Moscow, Idaho). Interview. November 10, 2007.

KIRV 1510 AM (Fresno, CA). Discussion of Drug Prohibition. June 16, 3006.

KVPR 89.1 FM Quality of Life Show (NPR division, Fresno, CA). Discussion of the War on Drugs and other alternatives. June 9, 2006.

KNRY 1240 AM Radio Morning Show (Monterey, CA). Discussion of drug prohibition issues. June 8, 2006.

KSCO 1080 AM Radio Good Morning (Santa Cruz & Central Coast, CA). Failures of drug prohibition and discussion of alternative policies. June 2, 2006.

## Publications, etc.

*West Coast Leaf,* Articles on LEAP, California MCD status, and Bay Area political analysis. To be published April 2008.

NORML STASH Daily Audio Podcast, California MCD status. March 3, 2008. http://stash.norml.org/2008/03/03/stash-for-mon-mar-3-2008

Drug Truth Network Production Video (interviewee), "Cannabis Dispensary Information Pt 1." October 17, 2007. http://www.youtube.com/watch?v=ZGKQVz7tzLU

ASA blog *Medical Cannabis: Voices from the Frontlines,* "No Pattern or Rules to DEA Attacks." October 3, 2007. http://www.safeaccessnow.org/blog/?p=12

*Oaksterdam News*, "The 'healthy-looking young man' syndrome." November 16, 2006. http://www.oaksterdamnews.com/index.php/V2-Issue-5/The-healthy-looking-young-man-syndrome.html

*Oaksterdam News,* "Oakland Prosecutor comes out against Drug War, finds that he's not alone." March 30, 2006. http://www.oaksterdamnews.com/index.php/V2-Issue-2/Oakland-Prosecutor-comes-out-against-Drug-War.html

LEAP blog, "Cops Say Legalize Drugs—Ask Me Why." December 5, 2006. http://www.leap.cc/cms/index.php?name=Blogs&file=display&id=83

Aloha Senator Ige, Senator Fukunaga, Senator Baker, Senator Menor and Senator Whalen,

My name is Lila Rattner and I am the very proud mother and caregiver to my son, Joseph B. Rattner, who is the Founder and President of West Oahu Hope For A Cure Foundation, better known as WOHFAC. I am also the Treasurer of this newly formed AIDS Service Organization (ASO). I am here to explain to this Committee why Medical Marijuana is so vitally important to the sick individuals who require it for their very existence.

Both patients' and caregivers are concerned with the use of any Opiate drug. However, doctors prescribe medications to eat, stop nausea and relieve the pain of their various diseases none the less. So in fact I do not believe that anyone has a right to hold back a patients dire Medication.

All the licensed marijuana patients, caregivers and their prescribing physicians take great care in licensing themselves and growing this necessary medication. The patients do not SELL to schoolchildren or share their medications with unlicensed colleagues, friends or family.

Presently, Hawaii's Medical Marijuana Program does not allow doctors to be doctors. Rather it puts the legislature and law enforcement agencies in the position of practicing medicine without any expertise and therefore actually endangering public health. ***This is shameful and a grave disservice to the people of Hawaii who seek to care for their critically ill, frail, and elderly.***

Most patients have the luxury of going to a pharmacy to receive their medications. The licensed patient and their caregivers must try their best to grow a crop, praying for the knowledge to determine the plants sex (male/female). The worry of during harvesting, wet weather creating such a dangerous pungent odor that it attracts the Addicts and Drug Dealers to our Home and our Ohana, putting our lives in danger!

If our plants fail, as has happened to our family this past year, and a couple of months goes by before I can 'arrange' to go purchase mature female plants, my sons life wound up on the line, leaving him in the hospital at a weight of one hundred and two (102) pounds, totally dehydrated from being unable to swallow and needing weekly blood transfusions to help him survive. *Last November I almost lost my only son of fourty one (41) years.*

Today, my son weighs one hundred and sixty (160) pounds, with minimal pain, much less nausea, reduced stress and most importantly the ease of swallowing his HIV Medications. I had to resort to the 'black market' and deal with the very people I have always feared the most. Only, because my sons life was at stake.

I support a secure growing facility that would allow all licensed patients to get their medication without supporting the local drug pushers' or risking their lives, BUT, if the legislature is going to basically start a new with this Task Force then so be it. Pass this measure so the expansion of the Medical Marijuana Program will put these pushers OUT OF BUSINESS and away from our keiki.

For this and many other reasons, I strongly support HB 2675 HD2.

Mahalo for allowing me the opportunity to testify.

Aloha,

Lila G. Rattner

808-685-6677

Lilasol47@aol.com

Aloha Senator Ige, Senator Fukunaga, Senator Baker, Senator Menor and Senator Whalen,

My name is Joseph Rattner, and it is an honor and a privilege to submit testimony in strong support of HB 2675 HD1. TODAY, it will be seventeen years that I am living with HIV/AIDS A celebration of life is at hand because I am alive today!

I have lived on this beautiful island of Oahu, Hawaii for 7 years now and have possessed a Medicinal Medical Marijuana license here for four. I am also a Certified Substance Abuse Counselor and am proud to say that I have counseled many in to recovery from the East Coast of New Jersey to our local Ohana's in Hawaii. Mostly I am proud to be the Founder and Executive Director of West Oahu Hope For A Cure Foundation located in Ewa Beach.

First of I must say that trying to grow Marijuana is a science, which takes an enormous amount of time. Although my first plant was successful, the ways and means of it blossoming, correctly each time, was almost impossible.

Just imagine any of you running out of any of your LEGAL medications. It can be a nerve-racking experience to worry about being able to RENEW your prescription, right? Well, what does the Medical Marijuana patient do when a plant fails or theft occurs on your property because the whole neighborhood knows that you're a pot head due to the smell that growing cannabis exhibits? He is left with no choice but to try illegal maneuvers' just to remain healthy. If the legislature will allow HB 2675 HD2 to pass as it reads presently, we are at minimum, setting up the stage for a proper expansion of the present program incepted in 2000.

Appetite, nausea, pain relief and even a major stress reducer, are of course all advantageous benefits that medicinal marijuana serves when you have a CHRONIC ILLNESS. There are approximately 4,024 patients in the State of Hawaii presently possessing medical marijuana licenses.

HB 2675 HD 1 would have given patients who qualify the opportunity to Lease a plot of land from a *'secure growing facility'* on any of the Hawaiian Islands, including but not limited to, Maui, Oahu, Kauai, Big Island, Molokai.....but you removed that language in HD1 and now just the Task Force remains in this present draft, which by no means, can we do without.

The possibility of an experienced 'Farmer' that will grow your medicine for you on ALL islands is up for talks by the task force. In my eyes, this characteristic of the Bill (which has since been removed) helps to serve in the protection aspect. Not only for the patient; but for the care giver and the land at which the marijuana is grown. Medical Marijuana is legal in Hawaii and by allowing patients of HIV, Cancer, Glaucoma, and other conditions, which require this treatment, a safer way of getting the Medication they need to survive, the safer

we all are. A *"certified facilitator"* will determine the strains needed for the plants, and a *"'plot"* would then be "leased" by the qualifying patient from a *'secure growing facility'*.

**A task force of experienced persons in this field will develop the expansion and protection of Hawaii's Medical Marijuana Program.**

A Department of Health designee, three members of the Drug Policy Forum, a Certified Prescribing Physician, and three Licensed Patients in coordination with the Department of Agriculture and the University of Hawaii will report on the efficacy of Marijuana and secure a safe haven for patients and care givers to grow their most needed medication.

The most critical issue facing Hawaii medical marijuana patients is the acquisition of our medicine. Theft, armed robbery, and police/helicopter eradication raids continually threaten patients' safety. The Hawaii Revised Statute states that legal medical marijuana patients can acquire and possess the medicine that their doctor recommends, but patients have no choice but to acquire from an unregulated and unethical black market. It is not in the interest of Hawaii's public health to force patients into this "black market".

The important question is: How does a patient who is diagnosed with cancer and to undergo chemotherapy immediately acquire the medicine that his/her doctor recommends? In this case, there is not enough time for the patient to grow, harvest, and cure the medicine that will help with nausea during imminent chemotherapy treatments; added stress from buying medicine from drug dealers will not help the health of such vulnerable patient.

It is essential for people living with HIV to take their medications! The side effects cause much stomach upset with the constant need to try to stop vomiting. The marijuana makes taking the medicines bearable. Hunger and the need to stay hungry for a balanced diet is where another important aspect of medicinal marijuana plays such a huge role in the recovery and better health for patients.

The passing of HB2675 HD2 will start the way for patients' to grow their legally prescribed marijuana with a sense of comfort. There will be less drug trafficking from Waikiki to Waianae, especially preventing addicts from preying at the risk areas near our schools endangering our keiki.

Experienced patients, who have proven to comply with their regimen, should feel safe about smoking their medicinal marijuana. The members of this task force will play an important role in the future of Medicinal Marijuana Secure Growing Facility's becoming a reality. The passing of this measure will save people's lives! Please don't let it die.

For these and many other reasons, I strongly support HB2675 HD2.

Mahalo for giving me the opportunity to share my views.

With much Aloha,

**Joseph B. Rattner, OD, CSAC**
**Executive Director-WOHFAC**
91-211 Makaina Place
Ewa Beach, Hawaii 96706
Phone-808-685-6702
Cell-808-781-3663
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Email-jbrhawaii1@aol.com

**West Oahu Hope For A Cure Foundation**
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Ewa Beach, Hawaii 96706
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Fax-808-685-6840
Email-WOHFAC@hotmail.com
Website-www.wohfac.com

**testimony**

**From:** Patients Withouttime [patientswithouttime@gmail.com]
**Sent:** Monday, March 17, 2008 8:55 AM
**To:** testimony
**Subject:** Brian Igersheim's testimony for HB2675 HD2

# Testimony For HB2675

**Committee:** Senate Committee on Health
**Chair:** Senator David Y. Ige
**Vice-Chair:** Senator Carol Fukunaga
3-17-08 at 2:15 pm in Conference Room 016
**Position: SUPPORT with Secure Growing Facility ammendment**
Number of copies needed for committee: 6

Aloha Representative,

I am a medical marijuana patient registered with the State of Hawai'i department of Public Safety. I write to you today to urge your support for House Bill 2675, legislation that seeks to improve Hawaii's medicinal cannabis program. The original intent of this bill is to provide medical marijuana patients "safe access" to their medicine by allowing for patients to form secure growing facilities. Law enforcement opposition to this idea always centers around violating federal law and safety of patients. Yes, federal law does not acknowledge marijuana as a medicine, but our state law does. In 2000, the legislature found that medical research had discovered a beneficial use for marijuana in treating or alleviating the pain or other symptoms associated with certain debilitating illnesses. However, the legislature also recognized the need to regulate such use, for the health and welfare of our citizens. As a result, regulation of the medical use of marijuana was enacted into law in 2000 in act 228, Session Laws of Hawaii 2000 and codified in part IX, Chapter 329, Hawaii Revised Statutes (HRS). It is true that the federal government can enforce whatever laws they choose, but states can make their own decisions. This is how, for instance, Nevada regulates both gambling and prostitution in direct violation of federal statutes.

Secure Growing facilities does not violate federal or state law, it only serves to clarify a "grey area" in the Hawaii Revised Statutes, providing more safety for patients acquiring their medicine. Although a taskforce is in the best interest of the health of Hawai'i's residents, I hope you can make a compassionate decision and allow for the creation of Secure Growing Facilities separate from this task force based on the following incident occuring at my residence on Maui. **It is not in the interest of the public safety of Hawai'i's residents to force our most vulnerable patients, those who do not respond well to standard pharmaceuticals, to be continually forced to the black market for the medicine that their doctors recommend.**

There have been numerous recent cases of police Harrasment towards medical marijuana patients, theft

and violence. I no longer want to be treated like a criminal to acquire the medicine my doctor recommended. In my case, last september, the "green harvest" marijuana eradication's helicopter, after hovering just over my house (in a tight neighborhood) for nearly twenty minutes, landed on my the property I rented and seized my plants, my girlfriends plants, and the plants of the other patient whom as I served as a caregiver for. We all were registered to grow at that address. Upon going with an attorney to the Maui Police Department, the plants were returned to me, dead and trampled. Three months later, when new plants were growing, they were stolen and a machete was left on my doorstep. I have attached the police reports corresponding to both of these situations. Rather than purchase medicine illegally on the black market, I choose to grow my plants. Hawaii does not provide for a legal means of supplying marijuana. By acknowledging the right of patients to form secure collective and cooperative operations will allow for individual patients to have their needs met safely. This way, many patients can have an operation together, sharing knowledge and resources in one **secure location** that is easily transparent to local law enforcement. I will no longer have to be treated like a criminal or risk my family's safety.

The most critical issue facing Hawaii medical marijuana patients is the acquisition of our medicine. It is very difficult for individual patients to grow enough viable product to assure an "adequate supply," and/or find a responsible caregiver how will grow for them. Theft, bugs, disease, lacking knowledge of successful growing techniques and time-consuming trial and error, and dependence on an unethical, unregulated and illegal "black market" are issues patients face when growing medical marijuana. Allowing patients to grow more plants, particularly in secure growing facilities, and possess more "usable product" will only ensure patients' safe access to medicine during times when issues arise.

In 2006, the California attorney general's office joined the American Civil Liberies Union, American for Safe Access, and the Drug Policy Alliance in arguing that state medical marijuana laws are not invalidated by conflicting federal statutes; an opinion previously voiced by Hawai'i's attorney general. The groups argued that while the federal government is free to enforce its ban on medical marijuana, even in states such as California that permit its use, all states remain free to adopt and implement medical marijuana policies of their own design. An attorney for the Drug Policy Alliance stated that, "The ruling upholds a state's sovreign right to fashion common-sense, responsible and compassionate policies for its residents.

In its mission statement, the Food and Drug Administration (FDA) declared that its goal is to speed along innovations that make foods and medicines more effective, safer, and more affordable. However, the FDA does not seem to have offered much information on the use of medical marijuana to improve our health. As a result, states have taken the initiative to find evidence to support the proposition that certain diseases and conditions respond favorably to medically controlled use of marijuana.

Further research on the medical efficacy is in the best interests of the state and the state's medical marijuana patients. Marijuana is currently classified as a schedule I controlled substance pursuant to section 329-14, HRS, which is a category designated for substances that have no medical value. This neither reflects the results of scientific research, past legislative action, nor the medical laws in at least 14 states. For the public safety of the citizens of Hawai'i, it may be worth considering changing the classification to a schedule III controlled substance.

Mahalo for the Opportunity to testify.

Name: Brian Igersheim

**testimony**

**From:** Patients Withouttime [patientswithouttime@gmail.com]
**Sent:** Monday, March 17, 2008 8:11 AM
**To:** testimony
**Subject:** Brian Murphy's Support of HB2675 HD2 with ammendments. Please print attachments

# Testimony For HB2675

**Committee:** Senate Committee on Health
**Chair:** Senator David Y. Ige
**Vice-Chair:** Senator Carol Fukunaga
3-17-08 at 2:15 pm in Conference Room 016
**Position: SUPPORT**
Number of copies needed for committee: 6

Here is the language of our 2008 Maui County Initiative. We are collecting the required 8,000 signatures of registered voters to put this on the upcoming ballot:

## Maui County Family Farmer Regulation and Revenue Ordinance

**Section 1: Title**
Maui County Family Farmer Regulation and Revenue Ordinance

**Section 2: Findings**
The people of Maui, Hawai'i find as follows:

**WHEREAS:** It is the intention of the people of Maui to provide the finest care and to ease the suffering of those citizens who might be in acute pain; and

**WHEREAS:** Modern research has shown that marijuana is a valuable aid in the treatment of a wide range of clinical applications. These include pain relief -- particularly of neuropathic pain (pain from nerve damage) -- nausea, spasticity, glaucoma, migraines and movement disorders (MS). Marijuana is also a powerful appetite stimulant, specifically for patients suffering from HIV, the AIDS wasting syndrome, or dementia; and

**WHEREAS:** Dr. Tashkin, the Drug Enforcement Agency's (DEA) often quoted researcher from UCLA who consistently claimed that smoking marijuana causes cancer, released his most comprehensive study in May of 2006 finding no marijuana-cancer connection and indicating that marijuana's medicinal properties are neuroprotective and actually protect the body against malignant tumors; and

**WHEREAS:** The Data Quality Act, passed by Congress in 2001, clearly states that government agencies must disseminate accurate information; and

**WHEREAS:** The federal Government (D.E.A., F.D.A.) fail to update public policy according to science and truth, classifying marijuana as a schedule I drug with absolutely no known medical value, failing to take into account anything but smoked marijuana; and

**WHEREAS:** Vaporization is a "safe and effective" cannabinoid delivery mode for patients who desire the rapid onset of action associated with inhalation while avoiding the respiratory risks of smoking, according to clinical trial data to be published in the journal Clinical Pharmacology & Therapeutics; and

**WHEREAS:** American Medical Association, American Cancer Society, American Nurses Association, American Society of Addicitive Medicine, National Academy of Sciences Institute of Medicine (IOM), The National Institute of Health, Hawaii Nurses Association, the National Commission on Marijuana and Drug Abuse, 13 of the United States, D.E.A. Administrative Judge Francis Young have all published reports validating marijuana having medicinal value; and

**WHEREAS:** The State of Hawai'i House of Representatives Committee on Health approved House Concurrent Resolution 10 (HCR 10) allowing for safe access, taxing and regulating of medical marijuana; and

**WHEREAS:** The State of Hawaiii House of Representatives adopted HCR 10 after its second reading and the resolution has been deferred by the Committee on Judiciary; and

**WHEREAS:** A representative on behalf of the Maui County Council testified in front of the Committee on Judiciary clearly stating that the Council does not oppose HCR 10; and

**WHEREAS:** The State of New Mexico passed legislation in April of 2007 establishing a medical marijuana distribution system; and

**WHEREAS:** 329-123 HRS has established that marijuana is safe and effective medicine and that medical marijuana certificate cardholders are permitted to acquire, cultivate and possess an "adequate supply" of their herbal medicine on-hand, however the law is not clear on how a patient is to acquire their medicine; and

**WHEREAS:** D.E.A. Administrative Law Mary Ellen Bittner ruled in February 2007 that the private growth of marijuana for medicinal research is in the public'¤s interest; and

**WHEREAS:** The National Institute on Drug Abuse (N.I.D.A.) provides a standard dose of smokeable Marijuana to patients in the Compassionate Investigational New Drug (IND) research program. The Federal Government has established that a medical marijuana patient's adequate supply is 6.63 lb. per year; and

**WHEREAS:** Over 90% of the legal medical marijuana card holders of Maui County cannot meet their own medical needs because of theft, bugs, mold and reliance on an unethical, unregulated, illegal black market; and

**WHEREAS:** The Maui County family farmers (agriculturally-zoned landowners) are able to supply the medical needs of the community, and

**WHEREAS:** Maui County needs a cash crop to be able to keep the family farmer on the land; and

**WHEREAS:** Each year the County of Maui spends tax dollars enforcing marijuana laws; resources that would be better spent fighting violent and serious crimes; and

**WHEREAS:** The revenue from licensing and taxing the lease of secured land for the growth of individual medical marijuana patients would help fund vital Maui County services; and

**WHEREAS:** The current laws against marijuana needlessly harm patients who use it for legitimate medical purposes; and

**WHEREAS:** criminal theft and eraucation under color of state law of medical marijuana plants remains one of medical marijuana patient's biggest problems; and

**WHEREAS:** It is the hope of the people of Maui that state and federal law reform will eliminate the problems and costs caused by marijuana prohibition, which are far greater than the problems of the plant itself; and

**WHEREAS:** The County of Maui has been, and remains absolutely committed to the protection of civil rights and civil liberties for all of its residents and affirms its commitment to embody democracy and to embrace, defend and uphold the inalienable rights and fundamental liberties granted by the United States' Constitution, the Bill of Rights, the Hawaii State Constitution and the Maui County Charter; and

**THEREFORE:** The people of Maui do hereby enact the following ordinance establishing the marijuana policy of the County of Maui.

**Section 3: AS DEFINITION**
"Marijuana" - Means "Marijuana" as currently defined in the Hawaii Health & Safety Code Section 329-123 HRS.

**Section 4: AS PURPOSE**
The purpose of this ordinance is to:
**a)** Direct the County of Maui to develop a system to tax and regulate medical marijuana by licensing family farmers' land-leases/service contracts to individual State of Hawai'i certified medical marijuana patients; as to keep it off the streets and away from children, and to raise revenue for the County;
**b)** Direct the County of Maui to create an allotment system, licensing agriculturally zoned family farmers of Maui to supply the medical needs of the community by securing, and leasing out plots of land to individual medical marijuana patients. Sixty-percent of all allotments will go to residents that can prove over seventy years of residency in Maui County. Money will only be exchanged over the land lease as to not violate state or federal law.
**c)**Direct the Maui County Prosecutor to follow and enforce state and county laws pertaining to the medical use of marijuana;
**d)** Direct the Maui County Council to be a strong advocate for legislative change at both the State and Federal levels.

**Section: 5: AS REGULATION**
**a)** The County of Maui shall establish a system to license, tax and regulate medical marijuana. The Maui County Council shall promulgate regulations that do not conflict with state law; and
**b)** Marijuana family farmers shall be required to pay licensing fees and taxes on land leases to individual patient and be subject to other reasonable safety and regulations standards.

**Section 6: AS LICENSING FAMILY FARMERS**

**a)** The County of Maui will issue licenses to agriculturally zoned family farmers to supply the medical needs of the community.
**b)** The Licensed family farmer may have allotments to allow for the production of marijuana for no more than two hundred State of Hawai'i medical marijuana certificate holders.

**Section 7: AS MEDICAL MARIJUANA ALLOTMENT SYSTEM**
Maui County shall establish a farming program along the lines of the Tobacco Allotment system:
**a)**For an agriculturally zoned, Maui County Family Farmer to meet and qualify for a medical marijuana allotment (M.M.A.), they will need to create a five-year organic farm plan based on at least two organic crops. The first crop shall be medical marijuana, covering the cost of: land, labor, and start up expenses for the first five years of establishing the second organic crop
**b)**The Licensed family farmer may have an allottment of no more than two hundred State of Hawai'i medical marijuana certificate holders.

**Section 8: AS COMMUNITY OVERSIGHT COMMITTEE**
A Community Oversight Committee shall be appointed to oversee the implementation of the Maui County Compassionate Choice/Family Farmer Regulation and Revenue Ordinance.
The Committee shall be comprised of the 5 qualified voters from this petition committee, and:
1 Community member appointed by the Maui County Council,
1 Community member appointed by the Mayor of Maui,
1 Representative of the Maui County Auditor,
1 Representative of Maui County Manager.

Responsibilities of the Committee shall include:
**a)** Ensure timely implementation of this ordinance;
**b)** Make recommendations to the Maui County Council regarding appropriate regulations, in accordance with Section 5 above;
**c)** To form the Committee within 30 days,
**d)** To develop a land-lease tax and service tax for medical marijuana farmers and submit allotment, license & tax plan within 60 days,
**e)** To vote on plans & submit a final draft to County Council within 90 days,
**f)** To issue licenses to Family Farmers that meet the approved plan requirements within 120 days,
**g)** Report annually to the Maui County Council on implementation and progress of this ordinance.

**Section 9: AS MAUI COUNTY LEGAL PROTECTION**
**a)** Maui County shall defend the State rights of legal State of Hawai'i medical marijuana certificate holders; and
**b)** The Maui County prosecutor shall follow and enforce state and county laws pertaining to the medical use of marijuana.

**Section 10: AS ADVOCACY FOR LEGISLATIVE REFORM**
Maui County Council shall advocate the will of the people to support the goals and implementation of this ordinance.

Advocated legislative changes to include:
End the arrest, prosecution imprisonment and law enforcement harrassment of adults for the cultivation, possession, not for profit distribution, and use of medical marijuana; and to be a strong advocate for legislative change at both the State and Federal levels.

**Section 11: AS SEVERABILITY**
If any provision of this ordinance, or the application thereof to any person or circumstance is held

invalid, the remainder of the ordinance and the application of such provisions to persons or circumstances shall not be affected thereby.