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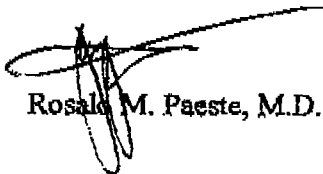
L A T E

Dear Senator Ige,

I am in support of passage of SB 2705 and SB 2706 to help secure the long-term viability of Hawaii Medical Center (HMC). As a staff physician at the only full service hospital in Leeward area, HMC-West, it's vital to have the Senate's support to maintain service to the Leeward residents. Hawaii Medical Center has maintained the mission of the Franciscan Sisters and it has provided services to the entire community. In fact, 70% of the services were provided for the medicare and medicaid population which is greater than the other Oahu Hospitals.

Please support SB 2705 and SB 2706 to help maintain medical care to the Leeward residents and to ensure the mission of St. Francis to provide treatment for the poor, uninsured or on public health programs.

Respectfully,



Rosal M. Paeste, M.D.

L A T E

Testimony in support and in favor of S.B 2705 and S.B. 2706

By

Bernard Robinson, M.D.

February 1, 2008

My testimony is in favor of passage of SB 2705 and 2706. As you honorable legislators know, one of the primary responsibilities of government is to protect the public. Promoting better access to decent health care in Hawaii is one way of protecting the public. Several years ago the Catholic Nuns were faced with closing the doors of St. Francis East and St. Francis West because of simple market dynamics. Their religion caused them to take care of too many patients who had no means of paying. I am one of the dedicated physician investors that stepped up to the plate to keep the hospitals open. I am now afraid that we find ourselves in a similar situation as that faced by the Sisters. Our hospitals have traditionally not tried to avoid taking care of the underinsured and uninsured. Changing their names from St. Francis to Hawaii Medical Center has not changed adverse market forces. Our hospitals are burdened with adverse selection because of our willingness to admit patients commonly turned away by other hospitals. Others turn such patients away because basic business principles clearly show that to care for them with the current healthcare market forces is risky relative to survival. We were hoping to fine tune management and improve our patient mix while maintaining the same attitude of providing care for the poor and underinsured. It is now quite clear to us that without your legislative help and relief as defined in SB 2705 and SB 2706, HMC East and West are unlikely to survive long enough to be cost effective. One of the reasons this would be tragic is that HMC West is the only full service hospital in West Oahu where the high population growth is profound. This population growth requires having a good hospital in the neighborhood for the good of the public.

Hawaii really needs HMC East and West to thrive for many reasons. Closure of these facilities means an instant loss of service to the 70% of our patients who are on Medicare, Medicaid, and are generally underinsured. Renal transplant patients are also at risk. These patients are considered economically undesirable by all medical institutions. With a little more time I am certain that our new operational design will work. We have the only hospitals managed and supervised at the very top by practicing physicians. This means that those who are mandated to provide the standard of care are responsible for producing healthcare cost effectively without sacrificing quality. It is my sense that all Hawaii hospitals are challenged economically and are having trouble providing decent healthcare. It is also my sense that physician owned and managed hospitals have a better chance to provide healthcare that everyone can be comfortable with and proud of. As a public service we need your help to give us enough time to survive and be able to provide excellent care for Hawaii's citizens in our hospitals. I feel confident that we can do it with the help provided for in SB 2705 and 2706. Think you for hearing my testimony.

Respectfully,



Bernard Robinson, M.D.

L A T E

CHAIRMAN IGE AND HONORABLE MEMBERS OF THE COMMITTEE ON HEALTH:

I am doctor Collin Dang, Chairman of the Hawaii Physician Group, the 125 member group of local doctors who own 46% of Hawaii Medical Center.

Thank you for the opportunity to testify in favor of Senate Bills 2705 and 2706.

We have chosen to participate in saving the former St. Francis Hospitals knowing the perilous financial state of health care in our state and in our nation for several reasons:

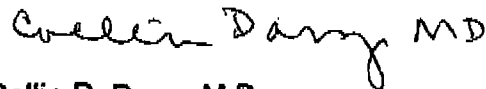
Firstly, we believe that governance by practicing physicians who are stakeholders is a critical ingredient in aligning the interests and the will of the user physicians and the hospitals, so that difficult decisions can be made while maintaining the safety of patients.

Secondly, we recognize the need for health services in the underserved growing Leeward Oahu area, and are willing to address this challenge despite the unfavorable reimbursement climate, because of the promise this area holds.

Thirdly, we want to preserve the values by which all of us practice, taught by the Sisters of St. Francis for over 80 years.

Because of the neglected infrastructure, the needy areas that we serve, and the debt service under which the purchase places us, we ask that Hawaii Medical Center be extended the same GET exemption as all the other hospitals in the State, to help Hawaii Medical Center survive and pursue the same goals as the Health Committee and the Sisters of St. Francis, the medical needs of the State.

Thank you for your time.



Collin R. Dang, M.D.
Chairman, Hawaii Physician Group
Vice-Chairman of the Board, Hawaii Medical Center
Cardiovascular Surgeon