



Maui Memorial
MEDICAL CENTER

March 27, 2008

TO:

**Representative Marcus Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair
HOUSE COMMITTEE ON FINANCE
Friday, March 28, 2008, 3:15 p.m.
Conference Room 308**

FROM: Wesley Lo, Regional Chief Executive Officer

**RE: SB 2768, SD2 RELATING TO THE ISSUANCE OF REVENUE
BONDS TO ASSIST THE MAUI REGION OF THE HAWAII
HEALTH SYSTEMS CORPORATION.**

Thank you for the opportunity to submit testimony in **strong support of SB 2768, SD2**. The purpose of SB 2768, SD2 is to authorize the issuance of \$150,000,000 in revenue bonds for the construction of a new Heart, Brain, and Vascular Center and for the purchase of new and replacement equipment at the Maui Memorial Medical Center (MMMC).

The construction of a new Heart, Brain and Vascular Center will provide immeasurable benefits to the people of Maui County, while adding value to the overall healthcare system in Hawaii. Currently, Maui is providing the most advanced stroke therapy in the state. The new Center at MMMC will allow us to continue to provide leading edge stroke services, while adding much-needed cardiovascular services, allowing Maui citizens to stay on island for treatment. This bond will also ensure MMMC can purchase the necessary equipment to stay current with some healthcare advancements.

Thank you for this opportunity to testify in **support of SB 2768, SD2**.

Respectfully submitted,

Wesley Lo
Regional Chief Executive Officer
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HOUSE COMMITTEE ON FINANCE
Rep. Marcus Oshiro, Chair

Conference Room 308
March 28, 2008 at 3:15 p.m. (Agenda #2)

Testimony in support of SB 2768 SD 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 SB 2768 SD 2, which authorizes the issuance of special purpose revenue bonds (SPRBs) for the Maui region of the Hawaii Health Systems Corporation (HHSC).

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 does not increase the financial liability of the State. The bonds are backed by the revenue from the particular project funded by the non-profit corporation.

This bill will assist the Maui Region of HHSC in constructing a new heart, brain, and vascular center without any cost or liability for the State, thereby improving access to this kind of specialized care to the residents of Maui.

For the foregoing reasons, the Healthcare Association of Hawaii supports SB 2768 SD 2.