

HB 2801

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON HEALTH
ON
HOUSE BILL NO. 2801, H.D. 2

March 10, 2010

MAKING AN EMERGENCY APPROPRIATION FOR HAWAII HEALTH SYSTEMS
CORPORATION FOR OPERATIONAL COSTS

House Bill No. 2801, H.D. 2, makes an emergency general fund appropriation of an unspecified amount for FY 10 for the Hawaii Health Systems Corporation to ensure the continuous delivery of critical health care services, payment of its operational costs and funding for the Big Island rural interdisciplinary program in the east Hawaii region. The bill states that the Governor has recommended the bill's immediate passage in accordance with Section 9 of Article VII of the Constitution of the State of Hawaii.

It should be noted that at this time, the Governor has not recommended the immediate passage of House Bill No. 2801. Article VII, Section 9 of the State Constitution, provides that only the Governor is authorized to designate appropriation bills for immediate passage.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-FIFTH LEGISLATURE, 2010**

ON THE FOLLOWING MEASURE:

H.B. NO. 2801, H.D. 2, MAKING AN EMERGENCY APPROPRIATION FOR HAWAII HEALTH SYSTEMS CORPORATON FOR OPERATIONAL COSTS.

BEFORE THE:

SENATE COMMITTEE ON HEALTH

DATE: Wednesday, March 10, 2010 **TIME:** 2:45 p.m.

LOCATION: State Capitol, Room 016

TESTIFIER(S): Mark J. Bennett, Attorney General, or
Blair Goto, Deputy Attorney General

Chair Ige and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purposes of this bill are to make emergency appropriations for fiscal year 2009-2010 for operational costs of the Hawaii Health Systems Corporation and for establishment of the Big Island rural interdisciplinary program in east Hawaii. The Hawaii Health Systems Corporation and the Hawaii Health Systems Corporation East Hawaii Regional Health Care System, respectively, are identified as the expending agencies.

Article VII, section 9 of the state constitution provides in relevant part: "In any such session in which the legislature submits to the governor a supplemental appropriations bill, no other appropriation bill, except bills recommended by the governor for immediate passage, or to cover the expenses of the legislature, shall be passed on final reading until such supplemental appropriations bill shall have been transmitted to the governor."

The bill does not purport to cover expenses of the Legislature. The bill states that the Governor recommends this measure for immediate passage, but we have been informed that

Testimony of the Department of the Attorney General
Twenty-Fifth Legislature, 2010
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the Governor will not ask for immediate passage. Absent the Governor's recommendation for immediate passage, this bill may not be passed on final reading until after the Legislature has transmitted the supplemental appropriations bill to the Governor. If the bill were to pass final reading prior to the transmission of the supplemental appropriations bill to the Governor, it could not validly become law.

For the foregoing reasons, we respectfully ask the Committee either to hold this bill or to pass it on final reading after the Legislature has transmitted the supplemental appropriations bill to the Governor.



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Touching Lives Every Day"

Testimony in Support of HB2801 HD2

**Senate Committee on Health
Senator David Y. Ige, Chair
Senator Josh Green, M.D., Vice Chair**

**Wednesday, March 10, 2010
2:45 PM
Conference Room #016
Hawaii State Capitol**

**HB2801 HD2 – MAKING AN EMERGENCY APPROPRIATION FOR HAWAII
HEALTH SYSTEMS CORPORATION FOR OPERATIONAL COSTS.**

Appropriates emergency funding to the Hawaii Health Systems Corporation to ensure the continuous delivery of critical health care services and for the payment of HHSC's operational costs, and establish the Big Island Rural Interdisciplinary Program in the East Hawaii region. Effective July 1, 2020. (HB2801 HD2)

**Testimony of Alice M. Hall, Interim President and Chief Executive Officer
Edward N. Chu, Interim Chief Financial Officer**

Thank you for the opportunity to provide testimony in support of HB2801 HD2, with amendments, to provide the Hawaii health systems corporation with emergency funding to ensure continuous delivery of critical health care services, for payment of operational costs, and to fund the Big Island Rural Interdisciplinary Program.

PART I The current economic situation has put a significant strain on every state agency. For the state Department of Human Services, the financial impact has been significant to its providers who participate in QUEST and QUEST Expanded Access, and Medicaid programs.

For the Hawaii Health Systems Corporation, despite all of its challenges, our hospitals have an obligation and commitment to put the patient first, regardless of ability to pay. As a result, HHSC treats a very high percentage of patients that are enrolled in the QUEST and QUEST Expanded Access plans. For the year-to-date January 31, 2010, the percentage of cash collections for HHSC's long-term care and critical access hospitals that come from the QUEST and QUEST Expanded Access plans ranged between 56% to 78%. Unfortunately, the frequency of delinquent payments from the QUEST programs, particularly the QUEST Expanded Access plans, has worsened. These payment delays continue to put hardship on our facilities to manage their cash flow, and the result would most likely be a further delay in making payments to

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vendors. And should this situation worsen, it could potentially lead to an interruption of needed goods and services for our hospitals. HHSC is particularly concerned that the combination of the recent downturn in the economy, which is causing more people to enroll in the QUEST and QUEST Expanded Access plans, and the budget cuts that were imposed on the Department of Human Services will put such a strain on the financial resources of the agency that payments to the QUEST and QUEST Expanded Access plans may cease, which in turn puts the plans in a position where they will not be able to make the required payments to HHSC's facilities for the services those facilities provide to QUEST and QUEST Expanded Access payments. Of particular concern is that this consequence will significantly stress the HHSC West Hawaii and Kauai regions' ability to continue to responsibly manage their existing operations.

We understand that DHS expects to run out of money in the near future and before the end of the fiscal year. HB2801, HD2 would provide relief to HHSC in the event that DHS stops or further delays making QUEST payments to providers. We believe that this measure can provide greater stability for all HHSC facilities. HHSC encourages this Committee to implement funding relief.

With respect to Part I, Section 3, we request an amendment to insert an amount of \$16,397,000. This amount is based on our current analysis of emergency funding need for the fiscal period ending FY2010 and is underscored by the precarious financial situation of HHSC for the seven months ended January 31, 2010.

With respect to Part I, Section 4, we also request that the amount of \$16,397,000 be inserted and that the sum appropriated be expended by the HHSC regions (HTH 212), to include all regions not solely East Hawaii region. Part I, Section 4, paragraph 2, to read:

The sum appropriated shall be expended by the Hawaii health systems corporation east ~~Hawaii regional health care system~~ Oahu, Kauai, Maui, East Hawaii and West Hawaii regions (HTH 212) for the purposes of this part.

PART II HHSC also asks that this Committee consider emergency funding for the Big Island Rural Interdisciplinary Program – a collaborative effort of HHSC East Hawaii Regional Health System, the University of Hawaii John A. Burns School of Medicine, School of Nursing and Dental Hygiene, University of Hawaii School of Pharmacy at Hilo and the University of Hawaii-Hilo Nursing Department. This comprehensive program is in direct response to the major health care need of the Big Island communities: to address the caregiver shortage by recruiting and retaining physicians, advance practice registered nurses (nurse practitioners), pharmacists, and nurses. The physician shortage projection for Family Practice Physicians over the next two years on the Big Island is estimated at 40 providers due to our aging medical staff of 65 years or older. As you are aware, the program provides an opportunity for students and residents to learn about healthcare within an inter-disciplinary setting, in addition to familiarizing participants with providing health care in a rural island community setting.

With respect to Part II, Section 6, an amendment is requested to insert the emergency funding amount of \$2,500,000.

We recognize that state resources are extremely limited, but urge you to also recognize the benefits of the aforementioned requests within this measure. We appreciate the opportunity to share our concerns with you and look forward to further discussion on this issue.



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Touching Lives Every Day"

**The Senate
Health Committee
Senator David Y. Ige, Chair
Senator Josh Green, Vice-Chair**

March 10, 2010
2:45 pm
Room 16
Hawaii State Capitol

HB2801 HD2 MAKING AN EMERGENCY APPROPRIATION FOR HAWAII HEALTH
SYSTEMS CORPORATION FOR OPERATIONAL COSTS
Appropriates funds to Hilo Medical Center for a rural integrated primary care training program

By Boyd P. Murayama
Medical Group Practice Director
Hilo Medical Center
Hawaii Health Systems Corporation (HHSC)

Thank you for the opportunity to provide testimony in support of HB2801 HD2 to appropriate funds for rural integrated primary health care training program

As the Medical Group Practice Director at Hilo Medical Center, my responsibility is to oversee the daily operations of the clinic and work with all disciplines to coordinate the training and education component.

The Hilo Rural Residency Program is an effort to align primary care workforce development with the needs of the state of Hawaii. The goal is to develop and staff a Family Medicine Center that will become an accredited Family Medicine Residency program with 4 residents per year. The Family Medicine Center will serve as an interdisciplinary clinical training site for medical students, residents, nurse practitioner students, nursing students, pharmacy students and others.

The practice will provide a full range of services including maternity care, primary gynecological care, newborn care, outpatient pediatrics, adolescent health, and adult acute, consultative psychiatry services, chronic and preventive services as well as outpatient procedures.

The practice currently has a staff of 3 to include a clinic manager, one medical assistant, and one receptionist. Clinic began operations 4/1/2009. With the growth and addition of faculty and residents to the practice we have projected staffing at 11 FTEs within the year.

Your support for HB2801 HD2 is greatly appreciated. Thank you.

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Hawaii State Legislature
HB2801

Testimony of Kelley Withy, President of Hawaii State Rural Health Association
2010

The Hawaii State Rural Health Association would like to express our strongest support
HB2801 regarding health

3/2010

The Hawaii State Rural Health Association would like to express our strongest support
for HB2801. We have conducted published research on the rural health care needs across
the State and found that while all communities are unique, there are some themes that are
common throughout the state. Needs that are commonly identified in our rural and
underserved communities include:

1. Financial assistance (insurance coverage, medication, free services)
2. Expanding services that are available to rural communities (including telehealth,
CHCs, community services)
3. Improving access to available services (Long term care, primary care, specialty care,
mental health care, substance abuse treatment, health care training and other services)
4. Decreasing drug use
5. Increasing health education and training opportunities for community members
5. Increasing the number of health care providers working in rural areas
6. Increasing cultural sensitivity of providers

HB2801 is essential to keep the critical access hospitals open so that patients in rural
areas have access to needed care. Without this funding, the HHSC hospitals will have to
close services, facilities, and will lose doctors and staff. This will serious damage the
medical care system in Hawaii, and it will make it very difficult to recruit new providers.

Therefore the Hawaii State Rural Health Association fully supports HB2801. We also
agree with others who have testified that it would be beneficial to the State of Hawaii to
include a requirement for HHSC hospitals to teach health professions students. This will
increase the exposure of students to rural and underserved practice location, and improve
the distribution of providers in Hawaii.

Sincerely,
Kelley Withy, MD, PhD
President, Hawaii State Rural Health Association

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 08, 2010 4:45 PM
To: HTHTestimony
Cc: jwalker1@hhsc.org
Subject: Testimony for HB2801 on 3/10/2010 2:45:00 PM

Follow Up Flag: Follow up
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Testimony for HTH 3/10/2010 2:45:00 PM HB2801

Conference room: 016
Testifier position: support
Testifier will be present: No
Submitted by: Jerry Walker
Organization: HHSC Kauai Region
Address: P.O. Box 337 Waimea, Hi 96796
Phone: 808-338-9422
E-mail: jwalker1@hhsc.org
Submitted on: 3/8/2010

Comments:

HHSC Kauai Region strongly supports this measure which will provide financial support in the case that the State Medicaid program is unable to make payments during the 4th quarter. Without this funding we would be unable to meet payroll and pay bills which would impact patient care delivery.

March 8, 2010

To: Committee on Health – Senator David Ige, Chair and Sen. Josh Green, M.D., Vice Chair

RE: Testimony in SUPPORT of HB 2801, HD2 with AMENDMENT:

**MAKING AN EMERGENCY APPROPRIATION FOR
HAWAII HEALTH SYSTEMS CORPORATION FOR OPERATIONAL COSTS**

Aloha,

There is a physician shortage in Hawaii and it will only get worse. This shortage will impact healthcare for the poor and underserved the most. In many ways the impact is being felt with the lack of specialists and primary care doctors on the neighbor islands and the difficulty recruiting staff at the Community Health Centers and HHSC Hospitals.

We need to start training doctors that will stay in Hawaii and take care of our own local people. With two accredited Medical Schools in Hawaii, one obvious long term solution is to “**Grow Our Own.**” Unfortunately, except for Kona Community Hospital, no other HHSC hospital has accepted medical students.

As a requirement of receiving the emergency appropriations, please consider amending HB2801 to include accepting Hawaii-based medical students for clinical rotations at Hawaii Health Systems Hospitals.

*“I swear to fulfill, to the best of my ability and judgment, this covenant:
I will respect the hard-won scientific gains of those physicians in whose steps I walk, and gladly share such knowledge as is mine with those who are to follow”.* Hippocratic Oath

“The ability to bring new caregivers to practice in the community health center ensures that our hospitals will be able to provide necessary health care services to residents and visitors in this health professional shortage area.” HB2801

Out of the two medical students we have sent to Kona, one already wants to become a pediatrician and she is already talking about practicing in Kona. That is the strength and effect of training medical students on the Neighbor Islands.

Mahalo,

Ricardo C. Custodio, M.D., M.P.H.
Associate Professor, ATSU Hawaii Campus
Medical and Training Director, WCCHC