Healthcare Association of Hawaii

LATE Testimony

HOUSE COMMITTEE ON HUMAN SERVICES
Rep. John Mizuno, Chair

HOUSE COMMITTEE ON HEALTH
Rep. Ryan Yamane, Chair

Conference Room 329
March 18, 2010 at 10:30 a.m.

**Supporting HR 25 / HCR 65.**

The Healthcare Association of Hawaii represents its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. Thank you for this opportunity to testify in support of HR 25 / HCR 65, which urge the federal government to fund services for COFA citizens.

Citizens of Compacts of Free Association (COFA) nations may travel freely to the United States. Many live in Hawaii, and some of them have moved to Hawaii because they have medical conditions for which adequate medical treatment is not available in their home countries. Approximately 7,500 low-income COFA citizens have been covered by Hawaii's comprehensive Quest health plan, which is administered by the Department of Human Services (DHS).

DHS is currently investigating ways to reduce costs. One strategy would be to move COFA migrants to a health plan that provides limited benefits. The Healthcare Association is not sure what benefit structure this new plan would have, but in the past DHS has attempted to cut off or limit chemotherapy or dialysis to hundreds of COFA migrants.

Hospitals cannot be expected to provide dialysis, chemotherapy, or other services without payment. Hawaii's hospitals already provide considerable free care to people in the communities they serve ($141 million in 2008), so they should not be expected to provide uncompensated care for COFA patients. Moreover, with the downturn in the economy and higher numbers of unemployed and uninsured, it is expected that uncompensated care will rise.

The Healthcare Association recognizes that the long-term responsibility for care to this patient population should be shared by the State and federal governments. We look forward to continuing dialog with the Legislature, Administration, and appropriate federal parties to address this long-term issue.

For the foregoing reasons, the Healthcare Association of Hawaii supports HR 25 / HCR 65.

March 17, 2010

LATE
Testimony

**Testimony in Support of H.R No 25**
Relating to Federal Assistance for COFA Migrants in Hawaii
before the Joint House Service and Health Committee
Thursday March 17, 2010 10:30 AM

Chair: Representative John Mizuno
Vice Chair: Representative Tom Bower

My name is Neal Palafox. My testimony is a personal opinion and does not represent the institutions with whom I work. I am presently a physician and serve as the Professor and Chair of the Department of Family Medicine and Community Health at the John A. Burns School of Medicine. My experience with Compact of Free Association (COFA) health issues includes: living working in the Republic of the Marshall Islands (RMI) as the Medical Director for Preventive Health Services (Ministry of Health 1983 through 1992), directing the dialysis unit of the RMI between 1983-1986, having worked with the RMI , the Federated States of Micronesia (FSM) , and Republic of Palau with Comprehensive Cancer Prevention and Treatment Strategies 1999 to present under US National Cancer Institute and US Center of Disease Control Grants . I was an appointed member of the Hawaii Uninsured Project Committee which produced a report on the COMPACT Nations Health impact in Hawaii in July 2004 and appointed to

the Compact Impact Committee Task Force for the State of Hawaii in 2008. Between 1998 and December 2008 I served as the Principal Investigator for a US Federally Funded Program to provide clinical care for the Marshall Islands peoples who were affected by the US Thermo Nuclear Bravo Hydrogen Bomb detonation.

House Resolution 25 has significant strategic importance for the State of Hawaii. It is crucial that HR 25 be passed.

The COMPACT nations Peoples must seek health care in Hawaii as their home nation's health infrastructures cannot meet their health care needs. The 2006 average United States per capita (per person) health care expenditure was over $5700 per year. In the same year Medicare spent over $600 / month per medicare covered life or $7200 per year per person in the State of Hawaii. In 2007 the average annual per capita health care expenditure in the Republic of the Marshall Islands (RMI) was only $250.00 (two hundred fifty US dollars ) , and in Chuuk State FSM $125.00 (one hundred twenty five) .

As noted above, the US per capita health dollar resources of Hawaii and the US are more than 20 times that of the FSM and RMI. The amount of money the New Basic Health Plan is expected to save Hawaii for 7000-7500 enrollees is 15 million dollars. This sum of 15 million dollars is more than double the 2007 annual health care budget for the entire Chuuk Health system which cares for 60,000 people.

Currently there is no hemo-dialysis in Chuuk, Yap, Kosrae or the Marshall Islands. The Marshall Islands had a dialysis unit established in the early 70's and was closed because the cost and medical infrastructure for that unit could not be sustained. There is no chemotherapy provided on site in the Federated States of Micronesia (Chuuk, Yap, Pohnpei, Kosrae) or the Republic of the Marshall Islands, and no mammogram services are available to any of the women in the Federate States of Micronesia (Chuuk, Yap, Kosrae and Pohnpei). The Ministries of Health have stretched the health dollar as far as possible, send many of their patients to the Philippines for tertiary health care as the cost of health care in the Philippines is about ¼ the cost of that in the US, have rationed medical services, and have created health policies that limit health care alternatives for their people.

The COFA health services in fact have worked hard for many years in challenging financial environments to solve their health care issues. The July 2003 United States General Accountability Office (GAO) reported that a major goal of the first 15 years of the COMPACT (1986-2001), to assist the FSM and RMI to become economically self sufficient, has failed. In fact, the FSM and RMI are currently economically dependent on the United States according to the report.

The June 2006 US GAO Report on the FSM and RMI COMPACT impact which includes a forecast on the second or amended COMPACT (2003-2024) is entitled: "Prospects Limited for the Marshall Islands and Micronesia" The 2006 GAO report states "the RMI and FSM economies show limited potential for achieving longterm development objectives" and the report graphically depicts how the US COMPACT financial per capita dollar support is designed to decline for these Pacific nations by 2/3 between 1987 and 2023 ( the beginning of the COMPACT period to the end of the amended COMPACT) Furthermore the 2006 GAO reports emphasizes that the design of the COMPACT trust fund, which is to replace the direct US economic assistance at the end of the 2023 COMPACT period for the RMI and FSM will not be sustainable or support the present infrastructure. These

reports contextualize the economic, and therefore the health/education/economic realities of US Policy in the Pacific.

The crucial message from the GAO reports in context of HR 25 is that the COMPACT nations people will likely continue to migrate to Hawaii to have the opportunities of basic health, welfare and education. There is a likelihood that the out migration to Hawaii and the US may increase as the financial resources from the COMPACT decrease. In 2008 the COMPACT census estimated that there were about 12,200 COMPACT citizens in Hawaii. This number is thought to be an underestimation with the actual number closer to 15-16 thousand COMPACT migrants., The people from the COMPACT nations will likely reach in excess of 20,000 people within the next several years. They have little alternative for basic health care and education.

The COMPACT Impact on health care in Hawaii has been extensively described and studied in two existing Hawaii State Reports. One is the July 2004 Hawaii Un-insured Policy Brief entitled "Impacts of the Compacts of Free Association on Hawaii's Health Care System." This report was developed by the Hawaii Institute for Public Affairs. The second report is

the COMPACT of Free Association Task Force Report whose committee was established by Hawaii Legislature Senate Resolution Nos 142 SD 1 in 2007, This report was submitted to the 2009 State Legislature. I was asked to serve on both these committees.

These two reports clearly articulate the history and situation with the COMPACT nations as it relates to health care in Hawaii. Both reports note that the impact was initiated and is being sustained by US Federal policies or lack of US Federal support and that more Federal Support is needed. More importantly for this hearing , is that neither report above recommended that the State cut services to the COFA nations people and that these peoples currently do not receive adequate health services in Hawaii.

The 2009 Task force report recommends that the State should be proactive and increase all human services to the COFA nations people in a more organized, prevention based and strategic way. The report recommends that the State of Hawaii and US Congress should advocate and support measures to increase the availability and quality of health services in their home nations so that the necessity to come to Hawaii for health services is decreased.

The burden of chronic illness is high the COFA population. Dr Riklon will speak to this in his testimony. As cancer care and chemotherapy is presently an issue with the New Basic Health Care Program, the finding of a 2004 US National Cancer Institute report on the US Nuclear Weapons Testing program and cancer in the Marshall Islands are important. The US Nuclear testing in the Marshall Islands will likely cause more than 500 cancers above the natural background of cancers in the Marshall Islands population. More than half of these cancers will occur in the population after 2004. Some of the cancers whose treatment the basic plan will deny may in fact have been caused by our US nuclear testing program.

Comprehensive basic Health Insurance for people in need is a humanitarian gesture. Equally important is that comprehensive basic health care insurance is a public health strategy to protect the health of all of Hawaii's people and to save the State hundreds of millions of dollars. This investment strategy by the Federal and State Governments also alleviates the health care burden on the COMPACT Nations, so that these nations can utilize the little resources they have in a more cost effective manner.

Through prevention, early medical intervention, early disease detection and early cost effective treatment the costly medical sequelae of untreated chronic illness (strokes, heart attacks, hemodialysis, blindness, non-working populations due to chronic illness, spread of infection, long hospitalizations, increased intensive care duration, frequent emergency room visits, etc) will occur in greater frequency and for a longer duration. A modest investment of basic health care insurance for all will therefore save the state of Hawaii many times its investment. The converse is also true, allowing any segment of the population to be unhealthy will cost the entire states health system community dearly. This is especially true if the number of those who have significant health burdens is large.

Children and pregnant women are covered under the new Basic Health Care Plan. However, the true cost to the State resides in caring for the untreated sequelae of chronic illness and infectious disease which occurs largely in adults. The Federal support should center on adult medical care.

Capping the basic health care plan so that COMPACT migrants who are not currently on the Quest plan and dis-allowing future COMPACT migrants the

ability to enroll into the basic health care is not a sound financial strategy. Thousands of migrant adults with significant illness and preventable medical conditions will unnecessarily burden the health system of Hawaii. If these adults have a communicable illness and cannot readily access the health care system readily, all of Hawaii's population is at risk.

Several amendments may strengthen the intent of HR 25, and save the State of Hawaii millions of dollars. As this issue is complex and the cost of healthcare for the COMPACT nations migrants is a symptom of a larger national and international problem. Simple strategies of increasing or decreasing health care coverage will likely not address the multifaceted problem , may exacerbate the State financial, and will be short term fixes at best. A systematic / comprehensive approach is warranted.

Some recommendations include:

1. Continue the Quest Health Care Plan for all qualifying COMPACT Immigrants for the next two years until Federal support is securedt.
2. Allow the COMPACT Nations people, through the formation of a Micronesian health and welfare working committee. This committee

will interface with the State health, education and welfare agencies to develop a comprehensive strategy to sustain high health care access and standards for COMPACT migrants. The COMPACT nations people can help the State tremendously as they know how to mobilize and effectively reach their own communities.

2. Work with the Departments of Health, Education and Human Services in the FSM, RMI and Republic of Palau to prepare COMPACT migrants before they arrive in Hawaii.
3. Allow all COMPACT migrants the ability to access the current Quest Plan. However, the above committee and State should actively work with this population through #1 to acquire gainful employment so they do not remain on the DOH Quest system.
4. Develop a working committee , responsible to the State Legislature, whose mandate is to report on the economic, social and health impact of decreasing Hawaii's Health Care Coverage for Compact Migrants. The question to be answered: What is the impact to Hawaii if the New Basic Health Plan as proposed by the DOH is implemented. This report should be completed in 4 months.
5. Continue requesting and aligning US Federal assistance to address the COMPACT Impact. However, to decrease assistance to the

COMPACT Migrants in Hawaii while awaiting appropriate levels of Federal Assistance would likely exacerbate the health care cost to Hawaii and its people. Designing a comprehensive approach at the State, Federal and International may be part of the duties of #1. .

In a democracy, a great nation and State is defined not by how it protects its majority population but how it cares for, advocates for and protects its most vulnerable, disenfranchised and needing peoples. These include the poor, children , elderly and populations such as those from the COFA nations.

Thank you.

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# PUBLIC HEARING – March 17, 2010

## In Support of HR 25

**PRESENTED by: WILFRED C. ALIK, MD**
**CHAIRMAN, MICRONESIAN HEALTH ADVISORY COALITION**

My name is Wilfred Alik. I am a native of the Marshall Islands and a practicing physician here in Hawaii. I have also worked and participated under the US Department of Energy Special Medical Program to the Marshall Islands as one of the physicians providing medical care for those who were exposed to the fallout from the US Nuclear Weapon Testing Program. I testify before you today as a member of the Micronesian Health Advisory Coalition (MHAC), which consists primarily of Micronesians advocating for the health and well being of Compact of Freely Associated (COFA) nationals living in Hawaii.

I wish to make several points in support of HR 25.

By way of background, the Department of Human Services plans to save money for the State of Hawaii by balancing its budget on the backs of COFA nationals, the most disenfranchised and high risk population in the State.

However, DHS fails to fully consider how such medical plan will severely cause pain and suffering in the lives of the COFA population, the newest migrant group to the State. DHS fails to take into account the numerous socioeconomic challenges already faced by this migrant population such as lack of workforce skills and work opportunities, limited education, dismal living conditions, homelessness, limited language access services, and other factors normally encountered by any new migrant group. Also, DHS fails to take into account the population's high prevalence of chronic diseases such as diabetes, cardiovascular diseases including heart attacks, stroke, and peripheral vascular diseases, cancers, chronic kidneys diseases, infectious and communicable diseases, and others. Faced with these enormous socioeconomic challenges and chronic medical problems, it's no wonder the COFA migrant population suffers high rates of morbidity and mortality, facts which DHS has apparently decided to ignore.

For instance, diabetes, which is highly prevalent among Pacific Islanders, requires a well coordinated medical multi disciplinary team care approach. Diabetic patients are at risk for developing major medical complications including coronary artery diseases, strokes, chronic kidneys diseases, leg infections, limb amputations and blindness to name just a few. It's estimated that over 85% of diabetics die from coronary artery diseases.

The treatment of diabetes then must be fully comprehensive to prevent any such serious complications.

But the most egregious part of the DHS's proposed medical plan is its total disregard for life saving treatments. It does not provide for life saving dialysis and cancer treatments. Kidney dialysis treatment is done on a regularly scheduled basis as most patients require dialysis 2 to 3 times a week, thus preventing serious medical complications. To withhold dialysis for even 1 or 2 treatments can have fatal medical consequences including death. Dialysis treatment must be done routinely in the kidney dialysis centers and not in the emergency room settings.

Cancer patients, like patients on kidney dialysis, rely on life-savings treatment modalities consisting of chemotherapy and radiotherapy protocols, surgical care, and certain special non-generic medications. On this note, I would like to bring to your attention the 2004 National Cancer Institute study, which concluded that there will be over 500 cancers above the natural background of cancers, caused by the US thermo - nuclear weapon testing in the Marshall Islands. Therefore, I submit that some of the cancers that will be denied treatment under the proposed DHS plan were in fact cancers related to the US thermo - nuclear testing program.

Due to the inadequacy of care under the DHS's proposed medical plan, the burden of chronic diseases felt by the patients, their families, the community and the State is only expected to worsen as more medical complications rapidly develop. The utilization of Emergency Medical Services will rise as patients massively flood the emergency rooms and quickly fill up the hospitals to critical capacity. Children will miss more school days as parents care for sick relatives or become sick themselves. As more unsupervised children roam the streets there's potential for public safety concerns. Loss of income and work productivity will rise due to increasing sick leaves and absenteeism. Clearly, these compounding factors can only have a devastating impact on the State economy and thus further exacerbate the economic downturn.

According to two reputable studies on healthcare in Hawaii as it relates to the COFA population, the 2004 Hawaii Uninsured Brief entitled Impacts of COFA on Hawaii's Health System, and the 2009 COFA Task Force Report, both reports conclusively advocate for continuing full healthcare services to COFA citizens in a more comprehensive and proactive way. More importantly, neither report recommends cutting back services to the COFA nationals.

In my opinion as a primary care physician and having provided medical care for this population, I can surmise that the most

cost effective medical plan is the one which provides a full comprehensive medical coverage. Such a medical plan will not only save the lives of the COFA nationals but will save money for the State in the long term. It's definitely a worthy investment and a win – win situation.

Therefore, we testify in strong support of HR 25 as written, for its broad based financial benefits for COFA nationals, specifically in the area of health and human services.

Thank you for your time.

Wilfred C. Alik, MD
Chairman, MHAC

March 17, 2010

**Testimony in Support of H.R. 25**
Relating to

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Strongly urging the united states department of the interior and the united states congress to provide additional federal aid to the State of Hawaii for the provision of various state services to migrants from the compact of free association nations; deem migrants eligible to receive federally funded financial and medical assistance; and provide dialysis and chemotherapy centers in Micronesia and all areas within the compact of free association nations

before the House Committees on Human Services and Health
Thursday March 18, 2010 10:30 AM

Chair John M. Mizuno, Chair Ryan I. Yamane, and Members of the Committees:

I am Sheldon Riklon MD, a practicing Marshallese family physician in the state of Hawaii, an Assistant Professor of Department of Family Medicine and Community Health at the John A. Burns School of Medicine, and a member of the Micronesian Health Advisory Coalition. My testimony is a personal opinion and does not represent the institutions with whom I work. I am offering testimony in support of HR25. As your committees are well aware, there has been a desperate outcry for help by members of the Micronesian community and their supporters in the State of Hawaii when the Department of Human Services introduced the Basic Health Hawaii Plan. If it were not for a federal temporary restraining order, the BHH would have taken effect on September 1, 2009.

Compact of Free Association (COFA) migrants currently enrolled in the DHS's MedQuest program were to be transferred to this proposed Basic Health Plan Hawaii. The BHH is a severely limited health plan that will not provide the type of life-saving services or medically appropriate basic clinical services that are currently afforded to them in the MedQuest program. Not only were dialysis and cancer treatment services eliminated, but the plan reduces coverage to include 12 outpatient doctor visits per year, 10 hospital days, 6 mental health visits, 3 procedures, up to 5 generic drug prescriptions a month, and emergency medical and dental care for the enrollees with a cap of only 7,000 & subject to the availability of State funds.

Healthcare providers who care for COFA migrants on a regular basis understand that majority of these patients have multiple chronic medical problems with related complications and require regular close follow up on outpatient basis. If not, they will be admitted into the hospital with complications requiring prolonged hospital stays or multiple hospitalizations throughout the year. It is not uncommon for them to be on more than 5 medications.

The proposed plan (BHH) will have grave negative consequences on the health & wellbeing of the patients, their families, their employers, their local health care providers & facilities, hospitals & the state economy at the end. The proposed Basic Health Hawaii will **NOT** save the State the projected $15 million dollars. Overall, it will actually cost the community health centers, hospitals, dialysis centers & cancer treatment centers more to take care of this vulnerable population.

As a Marshallese clinician who practiced in the Marshall Islands for 8 years and currently actively practicing in Hawaii for the past 1 year and continue to work with COFA citizens, I can draw several conclusions on this patient population.

- Majority of patients have multiple chronic medical conditions that require closer monitoring & more frequents outpatient visits.
- Given the inherent nature of their complicated chronic medical conditions, majority of them will end up in the hospital.
- A good number of them will require more than 5 generic medications a month. I manage several patients who need to take more than 5 medications per month to adequately mange their medical conditions & prevent them from developing complications that will eventually get them hospitalized or require referrals or advanced services. This includes referrals to specialist, like nephrologists for institution of hemodialysis or vascular surgeons to place AV fistulas for preparation of dialysis.
- Cancer treatment (surgery, chemotherapy, radiation therapy) for advanced cases of cancers including breast cancer, thyroid cancer, and lung cancer to name a few, is expected among this population. This is especially true given the history of the US Nuclear Weapons Testing Program that denoted 67 atomic bombs in the Marshall Islands, an equivalent of 7,200 Hiroshima bombs.
- Patients with end stage renal disease require dialysis 2-3 times a week for hours at a time. A significant number of dialysis patients also suffer from hypertension, diabetes, hyperlipidemia, diabetic retinopathy, leg ulcers, cardiac disease, peripheral vascular disease, and other conditions. One cannot just treat the kidney disease and not manage the rest. One medication will not treat all the medical conditions. The patient will require more than 1 medication. Dialysis alone will not be sufficient to address the other medical conditions.

My message in making the points is that when these patients with kidney failure, cancer, diabetes, hypertension, hyperlipidemia, cardiac disease, etc., are not managed well, they will get more sick. When they get more sick, they will be more 911 calls, more ambulance calls, more HFD/HPD calls (as first responders), more ER visits, more hospitalizations, more loss of employment days by the patient and/or family members caring for the patient, more school days missed by the children in the household because either their parents/guardians are with the patient in the hospital or are themselves the hospitalized patients. These incidents will be more common throughout the state. The increased number of adverse outcomes will **add more to the financial burden** of the State of Hawaii as more state resources will be accessed more frequently as a response to such incidents. Within a few weeks after the institution of the proposed BHH plan, there will be worse medical, social, economic outcomes for COFA citizens that will essentially translate into more financial burden by the state as a whole.

The 2007 Compact of Free Association Task Force Report recommended to **increase support services** to the COFA migrants thru **preventive care** and to **support health services in their home countries.** The idea is that if there is more focus on the front end of the health care system & more emphasis focused on prevention, then there will be decreased need to spend funds at the end, which is usually cost more in terms of hospitalizations, medications, management of complications, and the amount of resources required or utilized. The BHH plan is doing the complete opposite in limiting the health care services to this population, which will eventually lead to more costs to the state as a whole.

It should also be noted that all of the COFA migrants in the State are here legally. They are contributing members of society. They are tax-payers. They pay both state & federal taxes. The 2000 US Census revealed that there were 8,725 Micronesians in Hawaii. A paper published in 2003 by Dr. Michael J Levin of Harvard Center for Population and Development Studies estimated that COFA migrants contribute over $50 million annually to Hawaii's economy at that time. According to the US Census Bureau, there was an estimated more than 12, 000 COFA migrants in Hawaii in 2008. Hawaii is currently receiving $10-11 million dollars a year from the federal government as Compact Impact Funds. This is, in fact, an amount that is deficient to cover all the cost of essential services provided to the COFA migrants in the state of Hawaii, but it is something.

It is a common misconception that COFA citizens are not contributing members of the state. This is not true. If one were to access the various services on all the different islands in the State of Hawaii, it is not uncommon that one will meet an employee for one of the COFA nations. Many of them are work in service-type occupations: restaurants, security guards, airport/airline cargo services, hotels/cleaning services, retail sales, and delivery services. There are others that work as professionals in administrative positions, legal and medical services. The point is that COFA citizens are contributing members of the state of Hawaii.

The COFA nations are continue to work with the federal government in researching better ways to address this financial short-fall on the State of Hawaii. We believe that better solutions will be found given time. It is our hope that the amount of the compact impact fund will increase based on the upcoming 2010 US Census starting in April 2010. However, this will take time. For more than 200 of the COFA migrants on dialysis & chemotherapy, time that they do not have if the Basic Health Hawaii plan goes into effect & cuts them off their life-saving procedures. The support of this HR25 in acquiring more federal funding, including the request to increase the amount of Compact Impact Assistance, will make the case stronger to the federal government. That the amount of the current Compact Impact Funds to the State of Hawaii is grossly deficient and should be revisited.

The provision in HR25 strongly urging the United States Congress to support federal legislation to amend the 1996 PWORA to render COFA migrants eligible to receive federally funded financial and medical assistance is vital for the overall wellbeing of the State of Hawaii as well as the COFA migrants.

I, along with countless others in the state, have advocated for the reversal of the 1996 Personal Responsibility and Work Opportunity Act and for the state of Hawaii to advocate & to support measures for federal legislation to increase the availability and quality of health services in the COFA nations. HR25 is doing exactly that.

For the reasons stated above, I support House Resolution 25. I urge the State of Hawaii to continue to work with the governments of the Republic of the Marshall Islands, Federated States of Micronesia, and Republic of Palau in establishing better navigation system through their respective agencies, such as Health, Education, and Immigration, to better prepare travelers to Hawaii with pre-requisite guidelines. It is a fact that the number of travelers from Micronesia will continue and increase in the future

Thank you for your interest in the welfare of COFA migrants & the opportunity to provide this testimony.