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HAWAI'I PACIFIC HEALTH

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Monday – February 7, 2011 – 10:15am
Conference Room 329

The House Committee on Health

To: Representative Ryan Yamane, Chair
Representative Dee Morikawa, Vice Chair

LATE
Testimony

The House Committee on Human Services

To: Representative John Mizuno, Chair
Representative Jo Jordan, Vice Chair

From: Virginia Pressler, MD, MBA
Executive Vice President

Re: **HB 595 RELATING TO HEALTH - Testimony in Strong Support**

My name is Virginia Pressler, MD, MBA, Executive Vice President at Hawai'i Pacific Health (HPH). Hawai'i Pacific Health is a nonprofit health care system and the state's largest health care provider, committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four affiliated hospitals, 44 outpatient clinics and more than 2,200 physicians and clinicians. The network is anchored by its four nonprofit hospitals: Kapi'olani Medical Center for Women & Children, Kapi'olani Medical Center at Pali Momi, Straub Clinic & Hospital and Wilcox Memorial Hospital. Collectively, they lead the state in the areas of women's health, pediatric care, cardiovascular services, bone and joint services and cancer care.

Hawaii Pacific Health is writing in strong support of HB 595 which takes steps to solve the hospital waitlist problem by increasing certain Medicaid payments to hospitals and long term care facilities. On any given day there are as many as 275 patients in hospitals across Hawaii who have been treated and are now waiting to be transferred to a long term care facility but who must remain "waitlisted" in a hospital because long term care is not available. Discharge timeframes for waitlisted patients range from days to over a year. This represents a poor quality of life option for the patient, presents an often insurmountable dilemma for providers and patients, and creates a serious financial drain on acute care hospitals with ripple effects felt throughout other healthcare service sectors.

HB 595 would adjust Medicaid payments to improve the flow of patients from acute hospitals to long term care facilities. Payments to long term care facilities would be increased for patients with medically complex conditions that require increased care, as current payments do not cover the actual costs of care. In addition, payments to hospitals for waitlisted patients, although still not covering costs, would be increased so that payments are closer to 60% rather than 20% of the actual costs of care incurred by hospitals. We ask that you pass HB 595. Thank you for your time regarding this measure.



Affiliates of Hawai'i Pacific Health



**Testimony to the House Committees on Human Services and Health
Monday, February 7, 2011 at 10:15 a.m.
Conference Room 329, State Capitol**

RE: HOUSE BILL NO. 595 RELATING TO HEALTH

Chairs Mizuno and Yamane, Vice Chairs Jordan and Morikawa, and Members of the Committees:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). The Chamber supports HB 595 relating to Health.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

This measure requires rates for Medicaid reimbursements to hospitals keeping patients in beds to be equal to rates for similarly related services. The bill also appropriates funds for increased Medicaid reimbursements.

Quality health care is critical to the people and economy of Hawaii. As one of the largest private industries in Hawaii, the health care industry plays an important role in our economy, particularly through attractive, well-paying jobs and through the purchase of goods and services that contribute to our state's economy. As such, the health care industry plays a crucial role in the economic development and sustainability of our state and all of Hawaii's businesses. Also, Hawaii's healthcare system provides quality care for our families and serves to attract and retain a professional workforce, new companies, and even tourists to our state.

However, the quality healthcare that Hawaii has enjoyed for years in now in jeopardy. It is on the verge of declining because healthcare providers are no longer being paid for essential services at a level sufficient to cover annually increasing costs. The health care system must be maintained and challenges must be addressed.

Therefore, The Chamber supports improvements that will improve the quality of our health care system, which include legislation that will establish reimbursement guidelines for Medicaid to hospitals and facilities with long-term care beds. This will help increase long term care capacity and access statewide.

In light of the above, The Chamber of Commerce of Hawaii supports HB 595. Thank you for the opportunity to provide testimony.