

Maui Memorial
MEDICAL CENTER

Hawaii Health Systems Corporation - Maui Region

February 7, 2011

TO: Representative Ryan I. Yamane, Chair
Representative Dee Morikawa, Vice Chair

HOUSE COMMITTEE ON HEALTH
Tuesday, February 8, 2011, 9:30 a.m.
Conference Room 329
State Capitol, 415 Beretania Street

RE: HB 978 - RELATING TO HEALTH

Thank you for the opportunity to submit testimony in support of HB 978. The purpose of HB 978 is to authorize the Hawaii health systems corporation to lease Kula hospital's medical clinic, and all equipment, furnishings, and fixtures therein, to Malama I Ke Ola Health Center, subject to the Hawaii public procurement code and other relevant state law.

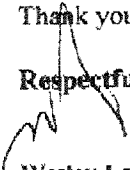
The Maui Region supports this measure but requests that a revision be made to it to clarify that the Clinic itself may be leased to Malama I Ke Ola Health Center, but that the equipment and furnishings may be leased as well. The Maui region supports this measure because Malama I Ke Ola Health Center, a federally-qualified health center, is in an excellent position to provide more access to health services than what is currently offered by Kula Hospital's Clinic. However, Kula Hospital or other Hospital facilities in the Maui Region are in need of certain equipment and furnishings for their own operations and therefore the Maui Region may not desire to lease all equipment and furnishings to Malama I Ke Ola Health Center.

Kula Hospital currently loses in excess of \$120,000 per year on clinic operations. While the Clinic offers a valuable service, it has been operating on a limited basis, serving a small patient population. With this type of lease to Malama I Ke Ola Health Center, Kula Hospital would no longer incur such losses and Malama I Ke Ola Health Center would be in a better position to meet the growing demand for health services to the underserved and to enhance outreach to the community.

The Maui Region believes the best use of its scarce resources is to focus on Kula Hospital operations and the functions of Kula Hospital as a Critical Access Hospital. This opportunity is will expand Malama I Ke Ola Health Center's services by provided an established clinic location at low cost and is viewed favorably as a "win-win" situation for the community.

Thank you again for the opportunity to testify in support of HB 978.

Respectfully submitted,


Westey Lo
Regional Chief Executive Officer
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