



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

Senate Committee on Health

S.B. 1139, RELATING TO COMMUNITY HEALTH CENTERS

**Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Acting Director of Health**

February 2, 2011

1 **Department's Position:** The Department of Health has reservations regarding the intent of Section 2
2 and recommends that Section 3 be struck in its entirety from this measure.

3 **Fiscal Implications:** Unspecified appropriation to be made out of the community health centers special
4 fund for fiscal years 2012 and 2013, and an unspecified amount of these funds to be released by the
5 Governor.

6 **Purpose and Justification:** The Department has reservations regarding the intent of Section 2; we
7 believe a budget ceiling can only be increased through the budgetary process. Further, we feel that the
8 expenditure ceiling for the community health centers special fund which currently stands at \$8,591,526
9 is adequate through fiscal year 2013 because *actual* deposits to the account in fiscal year 2010 was
10 \$6,753,856. It should be noted that the tax rate per cigarette has been frozen until June 30, 2013
11 pursuant to Act 192, HSL 2010; accordingly, any proposed increase to the expenditure ceiling should be
12 reserved until fiscal biennium 2013-15.

13 The Department disagrees with the provisions contained in Section 3 and recommends that this
14 section be struck in its entirety. The Department has been releasing cigarette tax revenues for purchase
15 of service contracts to community health centers since July 2009. These funds are allocated to the

1 community health centers based on the available balances in the account. The Family Health Services
2 Division (“FHSD”) contracts with thirteen federally qualified health centers (“FQHCs”) to provide
3 comprehensive primary care services for uninsured and/or underinsured individuals whose family
4 income falls within 250% of the federal poverty guidelines. Approximately \$3,444,295 in cigarette tax
5 revenues is being allocated for this purpose in fiscal year 2011. In addition, FHSD has allocated
6 cigarette tax revenues for contracts with Hana Health (\$1,130,000) and the Waianae Coast
7 Comprehensive Health Center (\$1,468,000) to provide urgent/primary care and twenty-four hour
8 emergency services, respectively. Although all of the aforementioned contracts were previously State
9 funded, these funds were replaced by the community health centers special fund effective July 1, 2009
10 due to severe budgetary reductions imposed upon the Department.

11 Finally, it should be noted that this measure stipulates that the amount of cigarette tax revenue
12 collected in fiscal year 2008-2009 is estimated to be \$9,000,000. This is an overly generous estimate.
13 The actual amount of cigarette tax revenues deposited into the community health centers special fund
14 from September 30, 2008 (inception) to June 30, 2009 was \$2,021,317.

15 Thank you for this opportunity to testify on this measure.

green1 - Karen

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 01, 2011 3:14 PM
To: HTHTestimony
Cc: dpkauai@gmail.com
Subject: Testimony for SB1139 on 2/2/2011 2:45:00 PM
Attachments: HLH Testimony SB 1139.doc

Testimony for HTH 2/2/2011 2:45:00 PM SB1139

Conference room: 229

Testifier position: support

Testifier will be present: No

Submitted by: David Peters

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Submitted on: 2/1/2011

Comments:



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Senate Committee on Health

The Hon. Josh Green, MD, Chair

The Hon. Clarence K. Nishihara, Vice-Chair

Testimony in Support of Senate Bill 1139
Relating to Community Health Centers

February 2, 2010 2:45 p.m. Agenda, Room 229

Ho'ola Lahui Hawai'i strongly supports this measure which supports community health centers. Community Health Centers are essential to assuring that quality primary care exists. As a rural neighbor island community, HLH is committed to ensuring that all those with health care concerns get access to the care they need and deserve.

Health Centers are an important cost-saving, quality driven and a community focused asset that are underfunded. Only 3% of HLH revenues come from the uninsured funding as compared to many other states where health centers are supported at much higher amounts than HLH currently receives.

In these troubled economic times, health centers provide low cost alternatives to high cost emergency room visits and prevent unnecessary hospitalizations. It is an essential service that is vital to the survival of those most in need. HLH has long been underfunded in its efforts to assure that access to care for all including many of our Native Hawaiian friends and neighbors.

We urge this committee to do the right thing and recognize community health centers by supporting this bill.

Live Well

David Peters
Chief Executive Officer

green1 - Karen

From: Hardy Spoehr [HSpoehr@papaolalokahi.org]
Sent: Tuesday, February 01, 2011 7:42 AM
To: HTHTestimony
Subject: Testimony: SB 1139
Attachments: DOC006.PDF

Testimony: SB 1139
Senate Committee on Health

Wednesday, February 2, 2011
2:45 pm
Conference Room 229
State Capitol

FROM:
Hardy Spoehr, Executive Director
Papa Ola Lokahi
597-6550



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Papa Ola Lokahi

is a non-profit Native Hawaiian organization founded in 1988 for the purpose of improving the health and well-being of Native Hawaiians and other native peoples of the Pacific and continental United States.

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Hardy Spoehr

TESTIMONY: SB 1139, RELATING TO COMMUNITY HEALTH CENTERS

SENATE COMMITTEE ON HEALTH

Sen. Josh Green, MD, Chair
Sen. Clarence Nishihara, Vice Chair

Wednesday, February 2, 2011

2:45 pm

Conference Room 229

State Capitol

Hardy Spoehr, Executive Director

Aloha Chairman Green, Vice Chair Nishihara, and Members of the Senate Committee on Health. Papa Ola Lokahi (POL) strongly supports this measure. As the bill states, community health centers (CHCs) form the backbone of our public health care system in Hawai'i and across the nation.

One of the stated uses of cigarette tax revenues is to support the services provided our island population by its CHCs. The fact that the Administration and the Department of Health have not released these funds impacted all of the CHCs last year.

POL urges the legislature to pass this measure. Thank you for the opportunity to provide testimony on this critical need.