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GOVERNOR OF HAWAII



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In reply, please refer to:
File:

Senate Committee on Health

S.B. 420, S.D. 1, 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 Sections 3
2 and 10 of this measure and defers Sections 4,5,6,7,8 and 9 to the Department of Human Services.

3 **Fiscal Implications:** A sum of \$8,000,000 for fiscal years 2012 and 2013 under Section 3 of this
4 measure for the provision of direct health care for the uninsured, and a sum of \$36,100,000 for fiscal
5 year 2012 under Section 10 of this measure for various capital improvement projects related to FQHCs.

6 **Purpose and Justification:** The Department has reservations regarding the intent of Section 3 of this
7 measure. Act 316, HSL 2006 established a special fund for the deposit of cigarette tax revenues to be
8 used by the Department for the operations of Federally Qualified Health Centers (FQHCs). In fiscal
9 year 2011, the Department appropriated \$3,444,295 in cigarette tax revenues to thirteen FQHCs to
10 provide comprehensive primary care services for uninsured and/or underinsured individuals whose
11 family income falls with 250% of the federal poverty guidelines. In addition, the Department has
12 allocated cigarette tax revenues for contracts with Hana Health (\$1,130,000) and the Waianae Coast
13 Comprehensive Health Center (\$1,468,000) to provide urgent/primary care and twenty-four hour
14 emergency services respectively. The Department does recognize the importance of FQHCs in
15 providing direct health care for the uninsured, however given that the cigarette tax revenues are being

1 appropriated to the FQHCs for this purpose and the State's current fiscal crisis, it would not be prudent
2 to pursue the appropriation of an additional \$8,000,000 from the general fund revenues of the State at
3 this time.

4 The Department also has reservations regarding the intent of Section 10 of this measure; we
5 believe that grants for capital improvement projects can only be appropriated in accordance with
6 Chapter 42F, HRS.

7 Sections 4,5,6,7,8 and 9 of this measure is being deferred to the Department of Human Services.

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

green1 - Karen

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 01, 2011 3:20 PM
To: HTHTestimony
Cc: dpkauai@gmail.com
Subject: Testimony for SB420 on 2/2/2011 2:45:00 PM
Attachments: HLH Testimony SB 420.doc

Testimony for HTH 2/2/2011 2:45:00 PM SB420

Conference room: 229
Testifier position: support
Testifier will be present: No
Submitted by: David Peters
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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 420, SD1
Relating to Community Health Centers

February 2, 2011 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