

HB 1330

HD1 SD1



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Comments Presented Before the
Senate Committee on Ways and Means
April 7, 2011 at 9:30 a.m.

By

Virginia S. Hinshaw, Chancellor

and

Jerris Hedges, MD, MS, MMM, Dean

John A. Burns School of Medicine

University of Hawai'i at Mānoa

HB 1330 HD1 SD1 – RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND

Aloha Chair Ige and Vice Chair Kidani, and members of the Committee. Thank you for this opportunity to provide the following comments in **support** of HB 1330 HD1, SD1, which would extend the sunset date on tobacco master settlement agreement monies for continued use by the John A. Burns School of Medicine (JABSOM) from June 30, 2011 to June 30, 2015.

Based upon the important role JABSOM plays in Hawai'i, we request that the allocation of tobacco settlement funds to JABSOM be continued.

Thank you for this opportunity to provide comments.



HAWAII PACIFIC HEALTH

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April 7, 2011

Conference Room 221

The Senate Committee on Ways and Means

To: Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair

From: Virginia Pressler, MD, MBA
Executive Vice President

Re: **HB 1330, HD1 SD1 RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND**
Comments in Support

My name is Ginny Pressler, MD Executive Vice President at Hawaii Pacific Health (HPH). Hawaii 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 Hawaii 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 ranks among the top 3.8 percent of hospitals nationwide in electronic medical record adoption, with system-wide implementation that allows its hospitals to offer integrated, coordinated care throughout the state. Learn more at: <http://www.hawaii-pacific-health.org>

We are writing in strong support of HB 1330, HD1, SD1 which would extend the sunset date on the tobacco master settlement agreement monies for continued use by the John A. Burns School of Medicine (JABSOM) from June 30, 2011 to June 30, 2015.

We ask that this Committee pass HB 1330, HD1 SD1 without a reduction in the amounts JABSOM may use for operating expenses to enable JABSOM to continue to grow physicians for Hawaii and foster tobacco prevention programs.

JABSOM is the only medical school in Hawaii. The majority of physicians practicing in Hawaii are graduates of JABSOM or its residency program. As many as 80% of JABSOM's graduating physicians remain in Hawaii, providing much needed health care throughout the state.

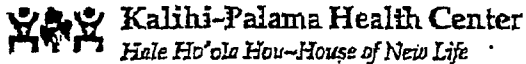
HPH maintains a close working relationship with JABSOM. Many of JABSOM's residency programs are based in our hospitals; many of JABSOM's graduates also practice in our hospitals. Given the projected shortages of physicians and healthcare professionals for the state, JABSOM's continued ability to educate and train future physicians for practice in Hawaii is critical. Extending the sunset date on the tobacco settlement monies to 2015 is vital to JABSOM's sustainability.

We ask that you pass HB 1330, HD1, SD1. Thank you for your time regarding this measure.



STRAUB
CLINIC & HOSPITAL

WILCOX HEALTH



915 North King Street
Honolulu, Hawaii 96817

Written Comments in Support
Senate Committee on Ways and Means
April 7, 2011

HB 1330, HD1 SD1 Relating to the Hawaii Tobacco Settlement Special Fund

Chair Ige, Vice Chair Kidani, and Members of the Committee, my name is Darrin Sato from *Kalihī-Palama Health Center*.

Please support HB 1330, HD1, SD1 which would extend the authorization for JABSOM to receive funding from the Tobacco Settlement Fund for operating purposes.

We ask that this Committee pass HB 1330, HD1 SD1 without a reduction in the amounts JABSOM may use for operating expenses.

A stable stream of these funds over the years has allowed JABSOM to conduct tobacco related programs, including incorporating tobacco prevention and treatment in its core curricula.

Research has shown that patients are 30% more likely to accept and follow through on smoking advice provided by their doctor than from any other source. There will be fewer physicians in Hawaii (especially on the neighbor islands) to give that life-saving advice if JABSOM loses the essential support of the Tobacco Settlement Fund. A study completed just last year found that because of retirements and increasing demands from an aging population, there is a need for about 150 new doctors per year. JABSOM is currently graduating less than half of that amount; yet the data show that the students who attend JABSOM are the most likely to remain and practice here — more than 50% of the practicing physicians in Hawaii have received some or all of their training at JABSOM or serve on its faculty.

As a Community Health Center, we provide training for medical students and residents. We utilize this as a means to attract future doctors into primary health care for the underserved population.

Use of the monies from the Tobacco Settlement makes practical sense, since it is often JABSOM programs and staff who work to conduct the research, studies, outreach and treatment of tobacco-related illness.

Thank you for your time in reviewing my comments.

Written Comments in Support Presented Before the
Senate Committee on Ways and Means
April 7, 2011

By
Michele Carbone, MD, Director
University of Hawaii Cancer Center

HB 1330, HD1, SD1 RELATING TO THE HAWAII TOBACCO SETTLEMENT FUND

Chair Ige, Vice Chair Kidani and members of the Committee, mahalo for the opportunity to share our support for HB 1330, HD1, which would extend the sunset date on tobacco master settlement agreement monies for continued use by the John A. Burns School of Medicine (JABSOM) from June 30, 2011 to June 30, 2015.

We ask that this Committee pass HB 1330, HD1 SD1 without a reduction in the amounts JABSOM may use for operating expenses.

The University of Hawaii Cancer Center is one of only 65 National Cancer Institute (NCI) designated Cancer Centers in the country. The Center studies cancer in relation to the unique physical, cultural, and environmental characteristics of Hawaii. Our mission is to reduce the burden of cancer and ensure a healthier future for the people of our state. We are a research enterprise affiliated with the University of Hawaii at Manoa.

We applaud the legislature's previous decision to allow monies from the tobacco settlement fund to help operate the John A. Burns School of Medicine. It is imperative that we provide support for educating and training young physicians. Physician shortages across the nation have created a near crisis situation in some areas. We know that 50% of the physicians trained in Hawaii stay in Hawaii. Therefore, providing funding for the operational health of our Medical School should remain one of our state's highest priorities.

The perils of tobacco use have long been known. Smoking is one of the most preventable causes of death in our society. But national research also tells us there is no safe form of tobacco use. At least 28 chemicals in smokeless tobacco have been found to cause oral, esophageal, and pancreatic cancer. All tobacco products contain nicotine which is addictive. It seems most fitting that monies from the tobacco master settlement would be utilized to support the Medical School--an entity that does so much to ensure the health and access to quality medical care for our residents here in the Islands.



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Virginia S. Hinshaw, Chancellor
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Jerris Hedges, MD, MS, MMM, Dean
John A. Burns School of Medicine
University of Hawai'i at Mānoa

HB 1330 HD1 SD1 – RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND

Aloha Chair Ige and Vice Chair Kidani, and members of the Committee. Thank you for this opportunity to provide the following comments in **support** of HB 1330 HD1, SD1, which would extend the sunset date on tobacco master settlement agreement monies for continued use by the John A. Burns School of Medicine (JABSOM) from June 30, 2011 to June 30, 2015.

Based upon the important role JABSOM plays in Hawai'i, we request that the allocation of tobacco settlement funds to JABSOM be continued.

Thank you for this opportunity to provide comments.

Cancer research and care is enhanced by strong alliances with community and educational partners. The medical school is a valuable partner in the University of Hawaii Cancer Consortium. Formed to support the growth and expansion of cancer research and care in our state, the consortium exists to channel groundbreaking discovery into the clinical setting for the benefit of the patient. Our researchers collaborate closely with the clinicians at the Queen's Medical Center, Hawaii Pacific Health and Kuakini Medical Center to ensure that our cancer patients have access to the most innovative treatments and clinical trials close to home.

Whether through its conduct of medical research, community education and outreach programs or through the critical training of young medical professionals to serve our communities, JABSOM is essential to the Cancer Center's future success and to the improved health of all who reside in Hawai'i. We strongly urge you to support HB 1330, and continue your commitment to improving the well being of the people of Hawai'i.

Thank you for the opportunity to provide these comments.



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

In reply, please refer to:
File:

Senate Committee on Ways and Means

**HB1330 HD1 SD1, RELATING TO
THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND**

Written Testimony Only

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

April 7, 2011, 9:30 AM, Room 211

1 **Department's Position:** The Department of Health offers comments as the administrator of the tobacco
2 settlement special fund (TSSF).

3 **Fiscal Implications:** The University of Hawaii John A. Burns School of Medicine (UHJABSOM)
4 currently receives 28% of the distribution of the TSSF to be used for debt service and for annual
5 operating expenses incurred by the new medical facility till June 30, 2011. In fiscal year 2010-2011 the
6 UHJABSOM is projected to receive an estimated \$13.2 million, of which \$2.3 million would be retained
7 for operational costs. The projections also apply to fiscal year 2011-2012. The Senate Draft 1 proposes
8 to reduce the UHJABSOM portion by 1% each fiscal year and to concurrently increase the portion to the
9 general fund starting with fiscal year 2012-2013 and ending with fiscal year 2014-15. The Department
10 provides the following abridged table of the changes in distribution since Act 304 established the TSSF
11 in 1999 to the current proposal and the projected dollar distribution per HB1330 SD1.

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Distributions	Act 304 1999 SLH	Act 270 2001 Special Session	Act 119 2009 SLH	HB1330 SD1 FY2013 FY2014		HB1330 SD1 Distribution in 000s	
Rainy Day	40%	25.5%	15%	15%		7,054	
DOH/DHS S-CHIP	25% + 10%	25% + 10%	15% + 10%	15% + 10%		7,054 4,703	
Tob Trust Fund	25%	12.5%	6.5%	6.5%		3,057	
UHJABSOM	N/A	28%	28%	27%	26.5%	12,697	12,227
General Fund	N/A	N/A	25.5%	26.5%	27.5%	13,291	13,793

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2 **Purpose and Justification:** The Hawaii Legislature established the TSSF to receive revenues as a

3 participating state in the 1998 master settlement agreement (MSA) between 46 states with five major

4 tobacco companies. The recitals section in the agreement says the payments *...will achieve for Settling*

5 *States and their citizens significant funding for the advancement of public health, the implementation of*

6 *important tobacco-related public health measures. . .*” In keeping with the spirit of the original lawsuit

7 and the MSA the 1999 Hawaii State Legislature passed Act 304, and stated that, *The fund shall serve as*

8 *a mechanism to maximize financial resources for tobacco prevention and control, health promotion and*

9 *disease prevention programs, children's health programs, and to serve as a long-term source of stable*

10 *funding for prevention-oriented public health efforts (SB1034 CD1).*

11 Thank you for this opportunity to testify.

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