

Hawaii Pacific Health

55 Merchant Street • Honolulu, Hawaii 96813 • hawaiiapacifichealth.org

Tuesday, January 31, 2012 – 10:00 am
Conference Room 329

The House Committee on Health

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

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: Testimony in Strong Support of HB 1956 - Relating to Health

Dear Honorable Committee Chairs and Members:

My name is Virginia Pressler, Executive Vice President for Hawaii Pacific Health (HPH). For more than a century, families in Hawaii and the Pacific Region have relied on the hospitals, clinics, physicians and staff of Hawaii Pacific Health as trusted healthcare providers. Our non-profit integrated healthcare system is the state's largest healthcare provider and is committed to improving the health and well-being of the people of Hawaii and the Pacific Region through its four hospitals -- Kapi`olani Medical Center for Women & Children, Kapiolani Medical Center at Pali Momi, Straub Clinic & Hospital and Wilcox Memorial Hospital -- 18 outpatient centers and a team of 1,100 physicians on the islands of Oahu, Kauai and Lanai.

Hawaii Pacific Health is writing in **strong support of HB 1956**, which would provide an appropriation to enable Hawaii to receive Disproportionate Share Hospital (DSH) funding from the Federal government. Congress established the DSH program in 1981 to help ensure that states provide adequate financial support to hospitals that serve a significant number of low-income patients with special needs. Since 1993, as part of the agreement when Med-Quest was established, Hawaii did not qualify for DSH dollars. The purpose of this bill is to appropriate state matching funds to secure this critical federal funding.

The real problem facing all Hawaii hospitals is inadequate reimbursement by Medicaid and Medicare. As cumulative losses to Hawaii hospitals continue to grow, the real costs to the community of inadequate reimbursement are physician attrition, declines in patient access to specialty care and compromised quality. The only way to maintain the level of healthcare Hawaii's residents deserve is to ensure that the State pays its fair share of Medicaid costs.

This bill will help to address the current healthcare imbalance by ensuring that adequate resources are made available to cover the true costs of providing care.

Thank you for your consideration of this measure.

KAPIOLANI
MEDICAL CENTER
AT PALI MOMI



KAPIOLANI
MEDICAL CENTER
FOR WOMEN & CHILDREN



Straub
CLINIC & HOSPITAL

 *Wilcox Health*

Testimony of
John M. Kirimitsu
Legal and Government Relations Consultant

Before:
House Committee on Health
The Honorable Ryan I. Yamane, Chair
The Honorable Dee Morikawa, Vice Chair
and
House Committee on Human Services
The Honorable John M. Mizuno, Chair
The Honorable Jo Jordan, Vice Chair

January 31, 2012
10:00 am
Conference Room 329

Re: HB 1956 Relating to Health

Chairs, Vice Chairs and committee members, thank you for this opportunity to provide testimony on this bill appropriating state funds to match federal funding for the disproportionate share hospital allowance.

Kaiser Permanente Hawaii supports this bill.

The cost of delivering health care in Hawaii and across the nation continues to mount. Kaiser Hawaii recognizes that a combined state and federal funding is imperative to help offset the increasing costs of providing continuing health care in Hawaii's communities. In an effort to ensure that health care payments are sufficient to cover the actual costs of care provided to Hawaii's most vulnerable Medicaid population, Kaiser Hawaii supports this measure to appropriate the required state funds necessary to match the federal Medicaid disproportionate share hospital (DSH) appropriation of \$10,000,000 for Hawaii.

The proposed State appropriation amount of \$9,282,684, or the amount deemed necessary for fiscal year 2012-2013 to match the federal disproportionate share hospital allowance allocated to the State, together with the federal appropriation, will help support funding of quality health care for the State of Hawaii's Medicaid population, and provide much needed assistance in covering the actual costs of the care provided.

Thank you for the opportunity to comment.

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HPCA

HAWAII PRIMARY CARE ASSOCIATION

House Committee on Health

The Hon. Ryan I. Yamane, Chair

The Hon. Dee Morikawa, Vice Chair

House Committee on Human Services

The Hon. John Mizuno, Chair

The Hon. Jo Jordan, Vice Chair

Testimony in Support of House Bill 1956

Relating to Health

Submitted by Robert Hirokawa, Chief Executive Officer

January 31, 2012 10:00 a.m., Room 329

The Hawai'i Primary Care Association supports House Bill 1956, Relating to Health, which appropriates funds from the state budget to match federal medical assistance percentage dollars available to disproportionate share hospitals in Hawaii. For a state that is already experiencing a hospital provider shortage, it is vital that existing facilities be given the payments necessary to ensure the continued delivery of high quality emergency and in-patient services. This is especially true for Medicaid patients, which on average having lower health conditions and associated socio-economic problems leading to higher delivery costs.

We urge you to pass this bill out of committee and thank you for the opportunity to testify.



**Testimony to the House Committees on Health and Human Services
January 31, 2012 at 10:00 a.m.
Conference Room 329, State Capitol**

RE: HOUSE BILL NO. 1956 RELATING TO HEALTH

Chairs Yamane and Mizuno, Vice Chairs Morikawa and Jordan, 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 House Bill 1956 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.

The Chamber commends the Legislature for playing an active role in passing legislation that appropriates money to match federal funds in the past couple of sessions. 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.

The quality of health care, however, that Hawaii has enjoyed for years is 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 to the quality of our health care system. They include legislation that will improve payments to health care providers of essential health care services and increase long term care capacity and access statewide. Appropriating funds to match the federal funding for medicaid is the first step in the right direction to ameliorate the current state of health care in Hawaii.

In light of the above, The Chamber of Commerce of Hawaii supports HB 1956. Thank you for the opportunity to provide testimony.