

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.  
DIRECTOR OF HEALTH

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

In reply, please refer to:  
File:

**HOUSE COMMITTEE ON HEALTH**  
**H.B. 2116, RELATING TO HEALTH**

**Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.**  
**Director of Health**  
**February 3, 2012**

- 1 **Department's Position:** The Department of Health supports the intent of this measure provided that its  
2 enactment does not reduce or replace priorities within our Supplemental Budget Request.
- 3 **Fiscal Implications:** An unspecified appropriation under Section 2 of this measure for fiscal year 2013  
4 for the provision of primary medical, dental, and behavioral health care for uninsured persons through  
5 nonprofit community health centers.
- 6 **Purpose and Justification:** The purpose of this measure is to provide funding for quality, cost effective  
7 health care through community health centers for Hawaii residents who are uninsured because of  
8 changes in program eligibility requirements related to the Medicaid program. Act 316, HSL 2006  
9 established a special fund for the deposit of cigarette tax revenues to be used by the Department for the  
10 operations of Federally Qualified Health Centers (FQHCs). In fiscal year 2012, the Department  
11 allocated \$4,501,345 in cigarette tax revenues via contracts to thirteen FQHCs to provide comprehensive  
12 primary care services (medical, dental treatment, and behavioral health care) for uninsured and/or  
13 underinsured individuals whose family income falls with 250% of the federal poverty guidelines.  
14 Although the amounts being allocated by the Department may be at a reasonable level for fiscal year  
15 2012 based on need, the impact of changes to the Medicaid program starting in April 2012 will likely

*Promoting Lifelong Health & Wellness*

1 result in an increase in the number of uninsured persons who will seek medical care at the community  
2 health centers. Actual deposits into the special fund account have been declining since fiscal year 2010  
3 due to a freeze in the cigarette tax rate pursuant to Act 192, HSL 2010. Therefore, the Department does  
4 not anticipate that the special fund account will have sufficient funds to compensate the community  
5 health centers for any significant increases in the number of uninsured/underinsured individuals being  
6 served. Although the Department does recognize the importance of community health centers in  
7 providing direct health care for the uninsured and supports the concept of this bill, we are concerned  
8 about the cost implications generated by this proposal.

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



HOUSE COMMITTEE ON HEALTH  
Rep. Ryan Yamane, Chair

Conference Room 329  
February 3, 2012 at 9:00 a.m.

**Supporting HB 2116: Relating to Health**

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. In addition to providing quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 40,000 people. Thank you for this opportunity to testify in support of HB 2116, which appropriates funds to provide health care through nonprofit community health centers to people who are uninsured.

Hawaii's nonprofit community health centers operate throughout the state, constituting a vital component of Hawaii's health care system. These health centers serve more than 125,000 of the most needy people in the state, many of whom do not have health care insurance and would otherwise not have access to health care.

The uninsured population in Hawaii has increased in recent years due to the recession and its aftermath. Ten years ago the percentage of uninsured in Hawaii was in the low single digits, and Hawaii was proud of having the lowest proportion of uninsured in the nation. At that time, Hawaii was justifiably known as the "Health State." Since then there has been a troublesome increase in the numbers of uninsured people. Today the uninsured population stands at about 10%, and a number of other states now have smaller proportions of uninsured people than Hawaii.

Hawaii's nonprofit community health centers have proven to be effective in providing comprehensive primary care services to residents of poor and disadvantaged communities. In doing so, these health centers help to keep other components of the health care system viable by, for example, reducing the numbers of patients who go to emergency departments in hospitals and reducing the impact of uncompensated care on other providers. Hawaii needs our community health centers to keep its health care system financially viable.

For the foregoing reasons, the Healthcare Association of Hawaii supports HB 2116.



**HPCA**

HAWAII PRIMARY CARE ASSOCIATION

**House Committee on Health**

The Hon. Ryan I. Yamane, Chair

The Hon. Dee Morikawa, Vice Chair

**Testimony in Support of House Bill 2116**

**Relating to Health**

**Submitted by Robert Hirokawa, Chief Executive Officer**

**Friday, February 3, 2012, 9:00 a.m., Room 329**

The Hawai'i Primary Care Association, which represents community health centers in Hawai'i, **strongly supports House Bill 2116**, which provides funding for uninsured patients at community health centers. This bill recognizes the priority of health and living well in our communities.

Approximately 25% (32,051) of the patients at community health centers are uninsured. We anticipate an increase in uninsured this year as Medicaid eligibility reductions are implemented.

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

**TESTIMONY IN SUPPORT OF HB 2116: RELATING TO HEALTH**

**SUBMITTED TO: COMMITTEE ON HEALTH  
HEARING: February 3, 2012, 9:00 am, Room 329  
SUBMITTED BY: Richard Bettini, President and Chief Executive Officer  
Waianae Coast Comprehensive Health Center**

In 2010, the Waianae Coast Comprehensive Health Center provided services to 28,912 individuals. Despite a proactive approach in supporting uninsured patients by assisting them in completing the QUEST application process, there has remained a constant uninsured population of 13% annually over the past 5 years.

Besides being an economically distressed community, the Waianae Coast has a higher rate of residents who have, or are at-risk for, serious health conditions. According to the 2009 Department of Health Primary Care Needs Assessment Databook, that ranks 28 service areas throughout the state, the Waianae Coast ranks highest on the island of Oahu for households receiving financial aid and food stamps; those at less than 100% and 200% of the Federal Poverty Level; unemployment rate; infant mortality, and teen births.

During the past 40 years, the Health Center has evolved a unique model of health care delivery that addresses not only an individual's health care needs, but that of the family and the community through a primary health care home model. The Health Center is a safety net for uninsured, medically underserved patients.

Uninsured funding is extremely important to the Waianae community and for those who are uninsured. Please support this bill.

Mahalo.



**HO'OLA LĀHUI HAWAI'I**  
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**COMMITTEE ON HEALTH**

Rep. Ryan I. Yamane, Chair

Rep. Dee Morikawa, Vice Chair

**Testimony in Support of HB 2116 with Reservations**  
**Relating to Health**

Ho`ola Lahui Hawaii strongly supports the intent of this bill to bring additional funding to the uninsured patients for outpatient care, especially for dental care.

The bill, however, still does not address the fundamental and underlying need for this increase which is the decrease in Medicaid Eligibility from 200% of the federal poverty level to 133% and a cap on the number of visits a patient can receive in a given period.

This decrease leaves those individuals (over 5,000) without any coverage for prescription drugs, inpatient care, diagnostic services, and other support services currently afforded those same individuals on Medicaid.

Further, the funding to support the uninsured patients will not be matched by federal funds.

We strongly urge the committee to amend or find another vehicle to support the continuance of the current Medicaid eligibility criteria of 200% of the federal poverty level and maintain the integrity of the current program.

Respectfully Requested,

David Peters  
Chief Executive Officer