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Healthcare Association
of Hawaii

HOUSE COMMITTEE ON FINANCE
Rep. Marcus Oshiro, Chair

Conference Room 308
February 27, 2012 at 2:00 p.m. (Agenda #4)

**Supporting HB 2345 HD 1: Relating to the Issuance of Special Purpose Revenue Bonds
to Assist St. Francis Healthcare System of Hawaii**

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 2345 HD 1, which
authorizes the issuance of special purpose revenue bonds (SPRBs) for St. Francis Healthcare
System of Hawaii.

State law authorizes the Department of Budget and Finance to issue SPRBs for certain types of
projects that benefit the community. These projects include health care facilities that are
provided to the general public by not-for-profit corporations.

SPRBs are attractive to corporations because they reduce the cost of financing capital projects.
At the same time, they are attractive to investors because the interest income derived from them
is exempt from State taxes.

It should be noted that the issuance of SPRBs does not involve any appropriation or
expenditure of State funds, and it does not affect the financial liability of the State. The bonds
are backed by the revenue from the particular project funded by the non-profit corporation.

St. Francis Healthcare System is a nonprofit corporation that intends to use the SPRBs as a
means of financing health care facilities. In providing financial support to St. Francis Healthcare
System, this bill will improve access to health care for Hawaii's residents.

For the foregoing reasons, the Healthcare Association supports HB 2345 HD 1.

DATE: February 24, 2012

TO: **House Committee on Finance**
Rep. Marcus Oshiro, Chair
Rep. Marilyn Lee, Vice Chair

From: Walter Yoshimitsu, Executive Director

Re: Support for HB 2345 Relating to the issuance of special purpose revenue bonds to assist St. Francis Healthcare System of Hawaii

Honorable Chairs and members of the House Finance Committee, I am Walter Yoshimitsu, **representing the Hawaii Catholic Conference**. The Hawaii Catholic Conference is the public policy voice for the Roman Catholic Church in the State of Hawaii, which under the leadership of Bishop Larry Silva, represents Roman Catholics in Hawaii.

We strongly support this bill that would authorize the issuance of SPRBs of up to $80,000,000, for St. Francis Healthcare System to construct healthcare facilities.

As you may already know, St. Francis has a long-standing tradition of contributing to the community in Hawaii. Their historical legacy began in 1883 when King Kalakaua personally invited them to come to the islands and provide care and comfort for patients with Hansen's disease.

The legacy of caring established by Blessed Marianne, and the visionaries who followed her, is continued today by the Sisters of St. Francis and St. Francis Healthcare System of Hawaii. We are proud of the continued efforts of the Sisters in Hawaii and look forward to the Canonization of Hawaii's second Saint!

St. Francis Healthcare Systems of Hawaii touches the lives of more than 90,000 patients a year. They are able to accomplish this because they continue to operate St. Francis Hospice, St. Francis Home Care, Franciscan Adult Day Care, St. Francis Health Services for Seniors and many other services. Currently they have plans to expand their outpatient palliative care program and build the St. Francis Intergenerational Center (a combined pre-school and adult day care.)

The issuance of these bonds will help St. Francis Healthcare systems continue to provide the outstanding care and services that have served this community so well.

Mahalo for the opportunity to testify.