

TESTIMONY

HB2664, HD1

**HTH
Committee Hearing
03-19-2012**

Council Chair
Danny A. Mateo

Vice-Chair
Joseph Pontanilla

Council Members
Gladys C. Baisa
Robert Carroll
Elle Cochran
Donald G. Couch, Jr.
G. Riki Hokama
Michael P. Victorino
Mike White



Director of Council Services
Ken Fukuoka

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/council

March 15, 2012

TO: The Honorable Josh Green, M.D., Chair
Senate Committee on Health

FROM: Danny A. Mateo
Council Chair

SUBJECT: HEARING OF MARCH 19, 2012; TESTIMONY IN SUPPORT OF HB 2664, HD1,
RELATING TO HEALTH CARE COORDINATION

Thank you for the opportunity to testify in support of this important measure. The purpose of this measure is to establish a public-private partnership in a county with a population between 100,000 and 170,000 to develop an integrated health care system that moves patients through the continuum of care efficiently, appropriately, and cost effectively.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. Maui Memorial Medical Center has regularly maintained a "wait-list" of 20-45 patients in the acute-care setting for lack of a post-acute discharge option. If these patients could be discharged to Hale Makua Health Services, they would receive the appropriate level of care and free up hospital beds for patients in need of acute care.
2. The proposed partnership would provide long-term stability for Maui's health-care infrastructure in a cost-effective way, while creating opportunities for growth between the two health-care organizations.
3. Providing for Maui's long-term care needs now will help to prevent a health-care crisis in the future.

For the foregoing reasons, I support this measure.

Council Chair
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Vice-Chair
Joseph Pontanilla

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March 16, 2012

TO: Honorable Josh Green, M.D., Chair
Senate Committee on Health

FROM: **Joseph Pontanilla**, Council Vice- Chair

A handwritten signature in cursive script that reads "Joseph Pontanilla".

DATE: Monday March 19, 2012

SUBJECT: **SUPPORT OF HB 2664, HD1, RELATING TO HEALTH CARE
COORDINATION**

Thank you for the opportunity to testify in support of this measure. I provide this testimony as an individual member of the Maui County Council.

I **support HB 2664, HD1** for the reasons cited in testimony submitted by Maui County Council Chair Danny A. Mateo and urge you to support this measure.

12:03:16:kbn/JP: HB 2664 HD1

Council Chair
Danny A. Mateo

Vice-Chair
Joseph Pontanilla

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March 16, 2012

The Honorable Josh Green, M.D., Chair
Senate Committee on Health
Hawaii State Capitol, Conference Room 229
Honolulu, Hawaii 96813

Dear Chair Green:

**Re: Testimony in Support of HB 2664, HD1 relating to Health Care Coordination
(Public Hearing: March 19, 2012 at 3:00 pm in Conference Room 229)**

As the Lana'i member on the Maui County Council, I would like to offer testimony in support of HB 2664, HD1. This measure establishes a public-private partnership in a county with a population between 100,000 and 170,000 to develop an integrated system to deliver health care across the spectrum of care and particularly to address the current challenge in acute care.

I support the proposed measure, because it would address a major health care challenge in Maui County to provide needed acute care services. The measure would also benefit small island communities like Lana'i with limited health care services and facilities by providing our residents with options for post-acute care services on neighboring Maui.

Thank you for the opportunity to offer this testimony in support.

Sincerely,

A handwritten signature in black ink, appearing to read "Riki Hokama".

Riki Hokama, Councilmember- Lana'i

cc: Council Chair Danny Mateo



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Touching Lives Every Day"

**Senate Committee on Health
Senator Josh Green, M.D., Chair
Senator Clarence K. Nshihara, Vice Chair**

March 19, 2012
Conference Room 229
3:00 p.m.
Hawaii State Capitol

Testimony Supporting HB 2664, HD1 Relating to health care coordination. Establishes a public-private partnership in a county with a population between 100,000 and 170,000; partnership to develop an integrated system to deliver health care across the spectrum of care and particularly to address the current crisis in acute care. Effective July 1, 2030.

Bruce S. Anderson, Ph.D.
President and Chief Executive Officer
Hawaii Health Systems Corporation

Thank you for the opportunity to testify in support of HB 2664, HD1.

Maui Memorial Medical Center (MMMC) and Hale Makua Health Services (Hale Makua) have been core providers of health services for Maui County for more than 60 years. MMMC provides acute care hospital services on Maui with a license for 213 beds. MMMC provides full acute hospital services, including the only cardiology program outside of Oahu. With the only other Maui acute care at Kula, a critical access hospital with 4 licensed beds, it is imperative that MMMC's beds and emergency department maintain a level of readiness for the vast majority of the admissions and emergencies that occur on the island.

Unfortunately, MMMC has had a long standing wait list problem, which is a major issue, both financially and due to quality of care concerns. A patient in an acute care bed who needs long term care, for example, will not be able to set up residence in the long term care unit where the resident can participate in social activities, obtain rehab services, and be afforded other privileges that residents of nursing homes enjoy. For this basic reason, a patient being in an acute setting for a long period of time, when he or she is not acutely ill, is simply not healthy.

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MMMC presently has a large waitlist population. In December, 2011, there were on average 36 non-acute patients assigned to acute care medical/surgical beds. This is extremely significant because out of 140 (plus 12 overflow) med/surg beds, it amounts to almost one-third of total census. Additionally, there were several people in the emergency department (ED) waiting for beds. If a big accident had occurred on the island, the ED would have had trouble handling it because the ED bays were filled with patients who needed inpatient beds. Therefore, the waitlist problem has a great impact on patient care at the acute end of the scale, as well. The problem also creates a financial burden, with an estimated \$20 million dollars lost per year due to low or no reimbursement to MMMC for the care given to the waitlisted patients.

Hale Makua, located on Maui, is licensed for a total of 344 beds in two facilities for skilled nursing and intermediate care nursing services (long term care). Integrated with its nursing home services are home health, rehabilitation and adult day health programs. Hale Makua is currently challenged with an unprecedented number of empty beds.

Therefore, the two entities have entered into discussions to explore opportunities for collaboration. The two entities will look for ways to create operational synergies, and cost efficiencies, which will ultimately benefit Maui County residents. The discussions, which will take place over the next several months, are preliminary, and specific details will need to be developed during this time.

This bill is instrumental in supporting the collaboration, which has become an important and effective way to address challenges arising from changes in the health care industry. The opportunity to develop innovative partnerships will enable us to better serve the community and expand health care options for residents.

Thank you for the opportunity to testify before this committee.

Testimony in Support of H.B. 2664 HD1 - Relating to Health Care Coordination

To Senator Green, Chairman of the Senate Committee on Health and Committee Members:

My name is Joyce Tamori and I am the CFO of Hale Makua Health Services. I support H.B. 2664 HD1. Hale Makua Health Services and Maui Memorial Medical Center have been very successful in serving the residents of Maui County for over 60 years. There is a current crisis of limited post-acute care options on Maui; payer mix disproportionately weighted toward Medicaid, which does not cover the actual cost of care; and inadequate physician coverage to admit and discharge patients. Both organizations have the goal of achieving operational synergies and cost efficiency that will address this crisis and benefit both organizations, which in turn benefits the residents of Maui. To realize an effective collaboration to resolve this crisis requires support from the State of Hawaii.

We would like to suggest the following amendments into House Bill 2664:

- Hale Makua Health Services (HMHS) can become a membership corporation with HHSC as its sole member. The Directors of HMHS shall be appointed by the sole member from a list provided by HMHS.
- The rights duties and powers of HHSC as the sole member be delegated to the Maui Regional System Board of Directors.
- Authorizing 180 days termination notice to the presiding officers of the Legislature.
- The sole membership corporation should be exempt from collective bargaining and HHSC's procurement code.
- The original appropriation be restored to the bill.

Testimony in Support of H.B. 2664 HD1 - Relating to Health Care Coordination

To Senator Green, Chairman of the Senate Committee on Health and Committee Members:

My name is Donald Mitchell. I am a member of the Health Makua Health Services Board of Directors, and I support H.B. 2664 HD1. Hale Makua Health Services and Maui Memorial Medical Center have been very successful in serving the residents of Maui County for over 60 years. There is a current crisis of limited post-acute care options on Maui; payer mix disproportionately weighted toward Medicaid, which does not cover the actual cost of care; and inadequate physician coverage to admit and discharge patients. Both organizations have the goal of achieving operational synergies and cost efficiency that will address this crisis and benefit both organizations, which in turn benefits the residents of Maui. To realize an effective collaboration to resolve this crisis requires support from the State of Hawaii.

We would like to suggest the following amendments into House Bill 2664:

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- The rights duties and powers of HHSC as the sole member be delegated to the Maui Regional System Board of Directors.
- Authorizing 180 days termination notice to the presiding officers of the Legislature.
- The sole membership corporation should be exempt from collective bargaining and HHSC's procurement code.
- The original appropriation be restored to the bill.

March 16, 2012

**TO: Senator Josh Green M.D., Chair
Senator Clarence K. Nishihara, Vice Chair
SENATE COMMITTEE ON HEALTH
Monday, March 19, 2012, 3:00 p.m.
Conference Room 229**

FROM: Wesley Lo, Regional Chief Executive Officer - MAUI MEMORIAL MEDICAL CENTER

RE: HB 2664 HD 1 RELATING TO HEALTH CARE COORDINATION

Thank you for the opportunity to testify in support of HB 2664 RELATING TO HEALTH CARE COORDINATION. The purpose of this bill is to establish a public-private partnership in a county with a population between 100,000 and 170,000; partnership to develop an integrated system to deliver health care across the spectrum of care; partnership to work at addressing the current crisis in acute care.

We would respectfully request that the Committee consider the following revisions to the proposed bill in order for it to match recently adopted changes to SB2935, SD2 which was decided on by the Senate Committee on Ways and Means on March 6, 2012:

1. Authorizing Hale Makua Health Services (Hale Makua) to become a membership corporation, with the Hawaii Health Systems Corporation as its sole member; provided that certain requirements are met; and
2. Provide that the board of directors of Hale Makua Health Services be appointed by HHSC from a slate recommended by Hale Makua.
3. Provide for the termination of this partnership with not less than 180 days notice to the legislature if a significant change in services or a substantial change to the partnership occurs so that additional legislation is not needed to facilitate such a termination upon significant changes in circumstances.
4. Increase the appropriation to \$1,850,000 to provide the partnership the means to conduct an in depth assessment/study/research designed to: analyze challenges in care coordination; develop a business plan for the delivery of healthcare network; develop an educational and outreach plan for Maui residents and providers; promote the development of an integrated health care delivery system within Maui County; to improve the continuum of care; and increasing the operational and financial viability of the network organizations.

Thank you for this opportunity to testify in support of this bill.

Respectfully submitted,

Wesley Lo
Regional Chief Executive Officer
(808) 442-5100

Testimony in Support of H.B. 2664 HD1 – Relating to Health Care Coordination

To Senator Green, Chairman of the Senate Committee on Health and Committee Members:

My name is Roy Sakamoto and I am Chairman of the Hale Makua Health Services Board of Directors, and I support H.B. 2664 HD1. This bill creates an opportunity to develop an innovative collaboration to enable Hale Makua Health Service(HMHS) and Maui Memorial Medical Center(MMMC) to better serve the people of Maui and to expand healthcare options for our residents. Both organizations have provided the community with healthcare for over 60 years. Hale Makua is currently challenged with an unprecedented number of empty beds, and MMMC is challenged with a wait list of individuals who have no point of discharge, including Hale Makua, for a variety of reasons. The two organizations are looking for ways to create operational synergies, and cost efficiencies, which will ultimately benefit our residents. This collaboration is an important and extremely effective way to address challenges arising from changes in the healthcare industry.

We would like to suggest the following amendments into House Bill 2664:

1. Hale Makua Health Services(HMHS) can become a membership corporation with HHSC as its sole member. The Directors of HMHS shall be appointed by the sole member from a list provided by HMHS>
2. The rights, duties and powers of HHSC as the sole member be delegated to the Maui Regional System Board of Directors.
3. Authorizing 180 days termination notice to the presiding officers of the Legislature.
4. The sole membership corporation should be exempt from collective bargaining and HHSC's procurement code.
5. The original appropriation be restored to the bill.



HALE MAKUA HEALTH SERVICES

3/18/2012

To: Senator Josh Green M.D., Chair
Senator Clarence K. Nishihara, Vice Chair
SENATE COMMITTEE ON HEALTH
Monday, March 19, 2012, 3:00 p.m.
Conference Room 229

FROM: Tony Krieg, C.E.O. Hale Makua Health Services

Testimony in Support of HB 2664 H.D.1: Relating to Health Care Coordination

Aloha Chairman Green and members of the Senate Health Committee. My name is Tony Krieg, C.E.O. of Hale Makua Health Services, a 60 year old non profit healthcare organization which provides post acute health care services on the Island of Maui .

This bill creates an opportunity to develop a vehicle to research, facilitate, develop, and implement a model and system of collaborative healthcare delivery in the County of Maui that moves patients throughout the continuum of care efficiently, appropriately, and cost effectively. This alliance will enable Hale Makua Health Services (HMHS) and Maui Memorial Medical Center (MMMC) to better serve the people of Maui and expand healthcare options for persons needing acute and post acute care. Members of the Hale Makua Health Services and Maui Memorial Medical Center Boards of Directors are working diligently with legal counsel to develop a specific structure and methodology to provide sustainable, effective and quality healthcare to the people of Maui.

There is a current crisis of limited post-acute care options on Maui; a payer mix disproportionately weighted toward Medicaid, which does not cover the actual cost of care; and inadequate physician coverage to admit and discharge patients. The two organizations are looking for ways to create operational synergies, and cost efficiencies, which will ultimately benefit Maui County residents. This collaboration is an important and effective way to address challenges arising from changes in the healthcare industry.

We suggest the following amendments be added to the bill:

- Hale Makua Health Services (HMHS) can become a membership corporation with HHSC as its sole member. The Directors of HMHS shall be appointed by the sole member from a list provided by HMHS.
- The rights duties and powers of HHSC as the sole member be delegated to the Maui Regional System Board of Directors.

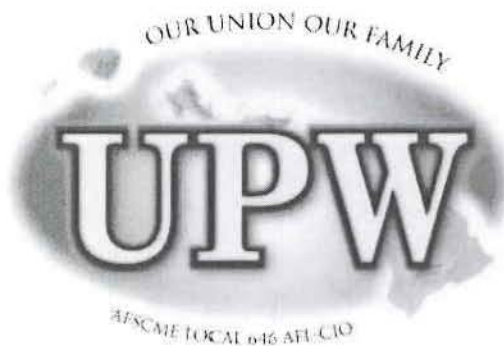
- Authorizing 180 days termination notice to the presiding officers of the Legislature.
- The sole membership corporation should be exempt from collective bargaining and HHSC's procurement code.
- We respectfully ask that the original appropriation be restored in the bill

In addition we suggest that the word "partnership" as it appears in the bill be changed to "collaboration" or similar wording in that a partnership can connote a specific legal entity that may conflict with the notion of Hale Makua Health Services becoming a membership corporation with HHSC as its sole member.

We urge you to pass the bill on to Ways and Means for their consideration. . If you have any questions please don't hesitate to contact me at 808 385-3267 – or tonyk@halemakua.org

About Hale Makua Health Services

Hale Makua Health Services is a private, non-profit 501(c)(3) corporation that was established in 1946 to provide a nursing home for elders who had no one to care for them or means to pay for needed services. The organization is the only Eden Alternative registered home in the state of Hawaii, and whose mission is to ensure individuals in our community are restored to health and independence, and transition through life with dignity and respect. Hale Makua Health Services is one of Maui's largest non-government employers with over 500 employees serving four home- and community-based healthcare programs, which include Hale Makua Long-Term providing nursing care and homes for up to 344 residents; Home Health by Hale Makua provides post-acute care and social work services to homebound clients of all ages and adult foster family case management; Rehab by Hale Makua specializes in both in and out-patient physical, occupational and speech therapies; and Adult Day Health by Hale Makua provides adults with a variety of health, therapeutic, and social services. For more information visit HaleMakua.org, find us on Facebook, or follow us on Twitter @HaleMakua.



THE HAWAII STATE SENATE
The Twenty-Sixth Legislature
Regular Session of 2012

COMMITTEE ON HEALTH

The Honorable Sen. Josh Green M.D., Chair
The Honorable Sen. Clarence K. Nishihara, Vice Chair

DATE OF HEARING: Monday, March 19, 2012
TIME OF HEARING: 3:00 p.m.
PLACE OF HEARING: Conference Room 229

TESTIMONY ON HB 2664 HD1 RELATING TO HEALTH CARE COORDINATION

By DAYTON M. NAKANELUA,
State Director of the United Public Workers,
AFSCME Local 646, AFL-CIO (“UPW”)

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 11,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW supports HB 2664 HD1 that establishes a public-private partnership in a county with a population between one hundred thousand and one hundred seventy thousand to develop an integrated system to deliver health care across the spectrum of care and particularly to address the current challenge in acute care.

With our ever-growing need for acute care, this would be a viable way to continue long-term care and enhance the quality of patient care for Maui’s elderly residents. This measure also provides an opportunity to keep people employed and keep our economy moving in the right direction by helping ensure the continued operation of Hale Makua and helping Maui Memorial save millions of dollars a year.

Thank you for the opportunity to testify on this measure.

Green4 - Mailene

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 15, 2012 3:22 PM
To: HTHTestimony
Cc: michael@mhplanning.com
Subject: Testimony for HB2664 on 3/19/2012 3:00:00 PM

Testimony for HTH 3/19/2012 3:00:00 PM HB2664

Conference room: 229
Testifier position: Support
Testifier will be present: No
Submitted by: Michael Munekiyo
Organization: Individual
E-mail: michael@mhplanning.com
Submitted on: 3/15/2012

Comments:

To Senator Green, Chairman of the Senate Committee on Health and Committee Members:

My name is Michael Munekiyo . I am a member of the Health Makua Health Services Board of Directors, and I support this bill.

This bill creates opportunity to develop an innovative collaboration which will enable Hale Makua Health Services (HMHS) and Maui Memorial Medical Center (MMMMC) to better serve the people of Maui and expand healthcare options for residents. Both organizations have provided the community with healthcare for over 60 years. HMHS is currently challenged with an unprecedented number of empty beds, and MMMC is challenged with a wait list of individuals who have no point of discharge, including HMHS, for a variety of reasons. The two organizations are looking for ways to create operational synergies, and cost efficiencies, which will ultimately benefit Maui County residents. This collaboration is an important and effective way to address challenges arising from changes in the healthcare industry.

We would like to suggest the following amendments to House Bill 2664:

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- The original appropriation be restored to the bill.

Green4 - Mailene

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 15, 2012 1:16 PM
To: HTHTestimony
Cc: robert.carroll@mauicounty.us
Subject: Testimony for HB2664 on 3/19/2012 3:00:00 PM

Testimony for HTH 3/19/2012 3:00:00 PM HB2664

Conference room: 229
Testifier position: Support
Testifier will be present: No
Submitted by: Robert Carroll
Organization: Individual
E-mail: robert.carroll@mauicounty.us
Submitted on: 3/15/2012

Comments: