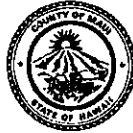


Council Chair
Danny A. Mateo

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

February 27, 2012

TO: The Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Danny A. Mateo
Council Chair

SUBJECT: **HEARING OF FEBRUARY 28, 2012; TESTIMONY IN SUPPORT OF HB 2664,
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 between Maui Memorial Medical Center and Hale Makua Health Services to develop an integrated system to deliver health care across the spectrum of care in Maui County.

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 maintained a steady wait-list of 20-45 patients for the past several years. If these patients could be discharged to Hale Makua, they would receive the appropriate level of care and free up hospital beds for acute-care patients.
2. The proposed partnership would provide long-term stability for Maui's healthcare infrastructure in a cost-effective way, while creating synergy and opportunities for growth between the two healthcare organizations.
3. Providing for Maui's future long-term care needs now will prevent a healthcare crisis in the future.

The measure could be improved by incorporating the revisions to SB 2935, SD 1, approved by the Senate Ways and Means Committee on February 24, 2012.

For the foregoing reasons, I support this measure.

Council Chair
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Vice-Chair
Joseph Pontanilla

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February 27, 2012

The Honorable Marcus R. Oshiro, Chair
Senate Committee on Health
Hawaii State Capitol, Conference Room 308
Honolulu, Hawaii 96813

Dear Chair Green:

**Re: Testimony in Support of HB 2664 relating to Health Care Coordination
(Public Hearing on February 28, 2012 at 1:00 pm in Conference Room 308)**

As the Lana`i member on the Maui County Council, I would like to offer testimony in support of HB 2664. This measure 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; partnership to work at addressing the current crisis in acute care.

The proposed measure is a companion bill to SB 2935 and would enable public-private partnerships to better utilize facilities and staff in serving the post-acute care needs of Maui County residents. The measure would benefit 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.

I also concur with testimony in support dated February 27, 2012 from Maui County Council Chair, Danny A. Mateo, and also recommend that revisions to SB 2935, SD1 adopted by the Senate Committee on Ways and Means on February 24, 2012 be incorporated in HB 2664.

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

Council Chair
Danny A. Mateo

Vice-Chair
Joseph Pontanilla

Council Members
Gladys C. Baisa
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February 27, 2012

TO: Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Robert Carroll
Council Member, East Maui

A handwritten signature in black ink that reads "Robert Carroll".

DATE: Tuesday, February 28, 2012

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

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



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

"Touching Lives Every Day"

House Committee on Finance
Marcus R. Oshiro, Chair
Marilyn B. Lee, Vice Chair

February 28, 2012
Conference Room 308
1:00 p.m.
Hawaii State Capitol

Testimony Supporting HB 2664 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; partnership to work at addressing the current crisis in acute care.

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

On behalf of the Hawaii Health Systems Corporation (HHSC) thank you for the opportunity to testify in support of HB 2664.

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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www.hhsc.org <<http://www.hhsc.org>>

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.

The Twenty-Sixth Legislature
Regular Session of 2012

HOUSE OF REPRESENTATIVES

Committee on Finance

Rep. Marcus R. Oshiro, Chair

Rep. Marilyn B. Lee, Vice Chair

Hawaii State Capitol, Room 308

Tuesday, February 28, 2012; 1:00 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 2664
RELATING TO HEALTH CARE COORDINATION**

The ILWU Local 142 supports H.B. 2664, which 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 work at addressing the current crisis in acute care.

We fully concur with the statement of the problem in Section 1 and the concept of a partnership between Hale Makua and Hawaii Health Systems Corporation to provide for a continuum of care that will be beneficial to both entities as well as patients needing acute and long-term care. Maui Memorial Medical Center has long been struggling to cope with the problem of acute care beds being taken up by patients who should be in long-term care. The dilemma involves both fiscal concerns and quality of care.

A partnership between Maui Memorial Medical Center, which has expanded and enhanced its service to Maui county residents, and Hale Makua, which has solid experience and capacity to provide long-term care, would be the ideal model to address the acute care crisis. Both are quality organizations that can benefit from state support to optimize their capabilities.

The ILWU urges passage of H.B. 2664. Thank you for the opportunity to provide testimony on this matter.

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

To Representative Oshiro, Chairman of the House Committee on Finance and Committee Members:

My name is Joyce Tamori. I am the CFO of the Health Makua Health Services Board of Directors, and I support this bill.

This bill creates opportunity to develop innovative partnerships which 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 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 Maui County residents. This collaboration is an important and effective way to address challenges arising from changes in the healthcare industry.

I also approve of the amendments to the bill that specify that: 1) The rights and duties of the Hawaii Health Systems Corporation (HHSC) shall be delegated to the Maui Regional system Board of Directors; and 2) the HMHS Board Directors shall be appointed by HHSC from the members of the current HMHS Board of Directors.

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

To Representative Oshiro, Chairman of the House Committee on Finance and Committee Members:

My name is Tony Krieg. I am the CEO of Health Makua Health Service, and I support H.B. 2664. A public-private partnership 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 needs support from the State of Hawaii. With the support of the State, public hospital Maui Memorial Medical Center and private non-profit Hale Makua Health Services will be able to create a model of healthcare delivery that better serves Maui's people by implementing by a partnership that creates a continuum of care, while maximizing capacity and increasing operational and financial viability of both organizations.

We respectfully suggest that the proposed bill be amended to provide that:

- Hale Makua Health Services (HMHS) become a membership corporation with HHSC as its sole member.
- The rights duties and powers of HHSC as the sole member be delegated to the Maui Regional System Board of Directors.
- The Directors of HMHS be appointed by the sole member from a list of the current HMHS Board.
- The sole membership corporation should be exempt from collective bargaining and the procurement code.

27 February, 2012

Testimony in Support of H.B. 2664 and Amendments Relating to Health Care Coordination

Representative Oshiro, Chairman of the House Committee on Finance and Committee Members:

My name is Roy Sakamoto and I chair the Hale Makua Health Services Board of Directors and I fully support this bill which will create a vehicle to better serve the citizens of Maui and expand healthcare options for our residents. There is currently a crisis of limited post-acute care options on Maui with the payer mix disproportionately weighted towards Medicaid which does not even cover the actual cost of care, and an inadequate physician coverage to admit and discharge patients. To realize an effective partnership requires support from all of our legislators.

I am also for approval of the amendments to this bill that specify that the rights and duties of the Hawaii Health Systems Corporation shall be delegated to the Maui Regional system Board of Directors and that the Hale Makua Health Services Board Directors shall be appointed by HHSC from members of the current Hale Makuā Board.

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

To Representative Oshiro, Chairman of the House Committee on Finance, and Committee Members:

My name is Merie-Ellen Gushi and I am a member of the Health Makua Health Services Board of Directors. Hale Makua Health Services supports H.B. 2665. This bill creates opportunity to develop innovative partnerships which 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 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. 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 partnership to resolve this crisis requires support from the State of Hawaii.

I also approve of the amendments to the bill that specify that: 1) The rights and duties of the Hawaii Health Systems Corporation (HHSC) shall be delegated to the Maui Regional system Board of Directors; and 2) the HMHS Board Directors shall be appointed by HHSC from the members of the current HMHS Board of Directors

Thank you for this opportunity to wholeheartedly support H.B. 2665.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 27, 2012 2:29 PM
To: FINTestimony
Cc: tonyk@halemakua.org
Subject: Testimony for HB2664 on 2/28/2012 1:00:00 PM

Testimony for FIN 2/28/2012 1:00:00 PM HB2664

Conference room: 308
Testifier position: Support
Testifier will be present: Yes
Submitted by: Tony Krieg
Organization: Hale Makua Health Services
E-mail: tonyk@halemakua.org
Submitted on: 2/27/2012

Comments:

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

To Representative Oshiro, Chairman of the House Committee on Finance and Committee Members:

My name is Tony Krieg. I am the CEO of Health Makua Health Service, and I support H.B. 2664. A public-private partnership 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 needs support from the State of Hawaii. With the support of the State, public hospital Maui Memorial Medical Center and private non-profit Hale Makua Health Services will be able to create a model of healthcare delivery that better serves Maui's people by implementing by a partnership that creates a continuum of care, while maximizing capacity and increasing operational and financial viability of both organizations.

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- The sole membership corporation should be exempt from collective bargaining and the procurement code.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, February 28, 2012 6:13 AM
fo: FINTestimony
Cc: aliceleehawaii@gmail.com
Subject: Testimony for HB2664 on 2/28/2012 1:00:00 PM

Testimony for FIN 2/28/2012 1:00:00 PM HB2664

Conference room: 308
Testifier position: Support
Testifier will be present: No
Submitted by: Alice L.Lee
Organization: Individual
E-mail: aliceleehawaii@gmail.com
Submitted on: 2/28/2012

Comments:
Your favorable consideration of this measure would be extremely appreciated.

**HALE MAKUA HEALTH SERVICES**

COMPASSION • COMMITMENT • COMMUNITY

FAX TRANSMITTAL COVER SHEET

TO: Representative Marcus Oshiro, Chair FAX # 808.586.6001
House Committee on Finance

FROM: Tony Krieg, CEO SENDER'S PHONE #: 808.871.9217
Hale Makua Health Services

SUBJECT: February, 28th, 1pm Hearing for HB2664 # OF PAGES, INCL 1
COVER:

DATE: 02/24/2012

CC:

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

To Representative Oshiro and House Committee on Finance Members:

I, Tony Krieg, CEO of Hale Makua Health Services will be at the hearing in person to testify in support House Bill 2664. A public-private partnership 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 needs support from the State of Hawaii. With the support of the State, public hospital Maui Memorial Medical Center and private non-profit Hale Makua Health Services will be able to create a model of healthcare delivery that better serves Maui's people by implementing by a partnership that creates a continuum of care, while maximizing capacity and increasing operational and financial viability of both organizations.

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