



Maui Memorial
MEDICAL CENTER

Kula Community Association
P.O. Box 417
Kula, Hawaii 96790

Maui Memorial Medical Center
221 Mahalani Street
Wailuku, HI 96793

February 28, 2011

TO: Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair

HOUSE COMMITTEE ON FINANCE

Tuesday, March 1, 2011, 4:00 p.m.
Conference Room 308
State Capitol, 415 Beretania Street

FROM: Wesley Lo
Regional Chief Executive Officer

Bobbie Patnode
Vice President and Health Issues Chair, Kula Community Association

RE: HB 978 HD1 – RELATING TO HEALTH

Thank you for the opportunity to submit testimony in support of HB 978. The purpose of HB 978 is to authorize the Hawaii Health Systems Corporation to lease Kula Hospital's medical clinic, and all equipment, furnishings, and fixtures therein, to Malama I Ke Ola Health Center, or any other qualified provider, subject to certain conditions including, but not limited to:

- 1) Require the Health Center to have received federal funds during the term of the lease and maintain its status as a federally-qualified health center;
- 2) Require any other provider to show the ability to maintain the Kula Clinic's services for the foreseeable future and meets the goals of the clinic
- 3) Require local resident participation in any oversight board governing the Kula Clinic's operation.

The Kula Clinic has been in the community for decades and continues to service the Kula community. The Kula Clinic supports the operations of Kula Hospital. A goal of the clinic is to provide access to those who do not have access to healthcare, in particular Medicaid and un-insured population. It currently loses approximately \$120,000 per year.

We support this measure because we want to ensure that the Kula Clinic remains in existence in the long term; that it becomes financially viable; and that it expands services to include more of those who do not have access to healthcare.

Therefore, we believe that a below market lease to the FQHC or any other provider(s) that can maintain the Kula Clinic's services for the foreseeable future and meets the goals of the clinic will provide for better options for the growing rural community of Keokea/Kula/Waiohuli.

Thank you again for the opportunity to testify in support of this measure.

Respectfully submitted,

Wesley Lo
Chief Executive Officer
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Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair
Committee on Finance

Testimony in Support of House Bill 978
Relating to Health, Authorizing the Hawaii Health Systems Corporation to
Lease The Kula Hospital Medical Clinic to Mālama I Ke Ola Health Center
Submitted by Dana Alonzo-Howeth, Executive Director
March 1, 2011, 4:00 a.m., Room 308

Community Clinic of Maui, Inc., dba Mālama I Ke Ola Health Center, a Hawaii nonprofit corporation and federally-qualified health center, was founded in 1993 in order to meet the community demand for health services for the underserved on the island of Maui. We operate a main Clinic in Wailuku and 2 satellites clinics located in the Homeless Resource Centers in Wailuku and Lahaina. Last December we applied for a grant through the Health Resources and Services Administration to expand the availability of comprehensive health services at the Kula Hospital Medical Clinic. If funded, service expansion will include full-time coverage by a primary care physician as well as nutrition, dental and mental health services. Unfortunately financial conditions have not allowed the Kula Hospital Medical Clinic to expand its health care services to the community.

House Bill 978 authorizes the Hawaii Health Systems Corporation to lease Kula Hospital Medical Clinic, and all equipment, furnishings and fixtures to Mālama I Ke Ola Health Center. It will allow Mālama I Ke Ola Health Center to lease the Kula Hospital Medical Clinic at the rate of \$1 per year for a period of ten years which will help Mālama I Ke Ola Health Center to realize cost savings that are essential to the economic viability of the clinic, and ensure the continued availability of much needed health services in the Kula community. Additionally, the authorization for Mālama I Ke Ola Health Center to lease all equipment, furnishings and fixtures at the rate of \$1 per year will go a long way to ensuring that the clinic remains viable.

Subject to the Hawaii Public Procurement Code, Hawaii Revised Statutes Chapter 103D, the Hawaii Constitution, Article VII, Section 4, and other relevant state law, House Bill 978 will enable Mālama I Ke Ola Health Center to continue to meet the Kula community's need for health services.

On behalf of Malama I Ke Ola Health Center, I urge you to support House Bill 978. Thank you for the opportunity to testify in favor of this bill which represents a very important and cost-effective action the Legislature can take to support Mālama I Ke Ola Health Center, and ultimately the health needs of the Kula community.