

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



LATE

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

February 23, 2012

WRITTEN  
ONLY

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

**HCR32, Requesting the Governor's Office to Conduct a Study on the Efficacy of Combining State Government Health Policy, Planning, and Purchasing in a Single Agency in Order to Advance Transformation of Hawaii's Healthcare System and Universal Access to Care.**

1 **Department's Position:** Supports

2 **Fiscal Implications:** Unknown

3 **Purpose and Justification:** HCR32 is an part of the Governor's Administrative Package which

4 requests the Office of the Governor to conduct a study on aligning critical healthcare service delivery

5 and finance components to increase value and improve quality.

6

7 Examining strategies that leverage economies of scale in purchasing insurance and redeploy existing

8 service delivery resources to maximize efficiency is critical to maintaining the affordability and quality

9 of Hawaii's healthcare system. The Department of Health looks forward to a strategy that emphasizes

10 primary prevention, the most efficient and effective healthcare cost-containment and quality

11 improvement strategy.

12

13 Thank you for the opportunity to testify.

NEIL ABERCROMBIE  
GOVERNOR



PATRICIA MCMANAMAN  
DIRECTOR

BARBARA A. YAMASHITA  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339  
Honolulu, Hawaii 96809-0339

**LATE**

February 24, 2012

TO: The Honorable Ryan Yamane, Chair  
House Committee on Health

FROM: Patricia McManaman, Director

SUBJECT: **H.C.R. 32 – REQUESTING THE GOVERNOR’S OFFICE TO  
CONDUCT A STUDY ON THE EFFICACY OF COMBINING STATE  
GOVERNMENT HEALTH POLICY, PLANNING, AND PURCHASING  
IN A SINGLE AGENCY IN ORDER TO ADVANCE  
TRANSFORMATION OF HAWAII’S HEALTHCARE SYSTEM AND  
UNIVERSAL ACCESS TO CARE**

Hearing: Friday, February 24, 2012; 9:15 a.m.  
Conference Room 329, State Capitol

**PURPOSE:** The purpose of this resolution is to study the efficacy of combining state government health policy, planning and purchasing in a single agency to advance the transformation of Hawaii’s health care system and universal access to care.

**DEPARTMENT’S POSITION:** The Department of Human Services (DHS) strongly supports this resolution in order to transform the health care system. The task to enable systemic change will entail reviewing how services are obtained, who will provide the service, who will be responsible to pay for the services, where the barriers are, a plan to break down the barriers, while ensuring an adequate safety net is in place for those most in need.

The implementation of the new federal Affordable Care Act allows Hawaii an opportunity to restructure how to better accomplish access to health care coverage while establishing electronic systems to increase efficiency.

The Office of Healthcare Transformation is an integral piece to bring all the various pieces together and provide the guidance to transform the system. The Department supports the resolution requesting the study to be conducted.

Thank you for the opportunity to testify on this measure.



## HAWAI'I PACIFIC HEALTH

Kapi'olani • Pali Momi • Straub • Wilcox

# LATE

55 Merchant Street  
Honolulu, Hawai'i 96813-4333

808-535-7401  
www.hawaiipacifichealth.org

**Friday, February 24, 2012 – 9:15am**  
**Conference Room 329**

### The House Committee on Health

To: Representative Ryan I. Yamane, Chair  
Representative Dee Morikawa, Vice Chair

From: Virginia Pressler, M.D, MBA  
Executive Vice President  
Chief Strategic Officer

Re: **HCR 32 - Testimony in Strong Support**

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My name is Virginia Pressler, MD, MBA, Executive Vice President and Chief Strategic Officer for Hawai'i Pacific Health (HPH). Hawai'i Pacific Health is a nonprofit health care system and the state's largest health care provider, committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four affiliated hospitals, 49 outpatient clinics and more than 2,200 physicians and clinicians. The network is anchored by its four nonprofit hospitals: Kapi'olani Medical Center for Women & Children, Pali Momi Medical Center, Straub Clinic & Hospital and Wilcox Memorial Hospital.

We are writing in strong support of HCR 32 requesting the Governor's office to conduct a study on the efficacy of combining state government health policy, planning, and purchasing in a single agency in order to advance transformation of Hawai'i's health care system and universal access to care.

We support this concurrent resolution to better coordinate state health policy, planning and purchasing. The future of assuring quality health care for all patients is the use of health information technology and adoption of new payment models that support the development of a more cost effective, patient centered and quality driven health care system.

This resolution is a key step towards allowing the state to assist in facilitating this transformational strategy.

We ask that you pass this resolution. Thank you for the opportunity to testify.



**STRAUB**  
CLINIC & HOSPITAL



Affiliates of Hawai'i Pacific Health

Testimony of  
Phyllis Dendle  
Director of Government Relations

**LATE**

Before:  
House Committee on Health  
The Honorable Ryan I. Yamane, Chair  
The Honorable Dee Morikawa, Vice Chair

February 24, 2012  
9:15am  
Conference Room 329

**HCR 32      REQUESTING THE GOVERNOR'S OFFICE TO CONDUCT A STUDY  
ON THE EFFICACY OF COMBINING STATE GOVERNMENT HEALTH  
POLICY, PLANNING, AND PURCHASING IN A SINGLE AGENCY IN  
ORDER TO ADVANCE TRANSFORMATION OF HAWAII'S  
HEALTHCARE SYSTEM AND UNIVERSAL ACCESS TO CARE.**

Chair Yamane and committee members, thank you for this opportunity to provide testimony on HCR 32 which requests that the governor's office conduct a study on transforming health care and creating a single purchasing agent for health care purchased by the government.

**Kaiser Permanente Hawaii supports this resolution.**

We appreciate the opportunities that may be available to create efficiencies through the combining of state purchasing of health care. We see this resolution as one of many possible strategies for helping keep our health care system reliable and responsive to change in technology and practice.

For many years Kaiser Permanente has sought out ways to provide better, more satisfying care to our members. With our care delivery and payment systems focused on prevention and early detection of illness we have seen the health of our members improve. Improvements in information technology permitted us to start using an electronic medical record in 2004 and a few years later to make information from that record easily available to patients so they can understand and participate in their own care. These are among the elements that will be studied by the governor's office with an eye toward improving the health of the entire state.

We look forward to supporting the efforts of the governor's office aimed toward transformation of the health of Hawaii's people.

Thank you for your consideration.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION  
AFSCME Local 152, AFL-CIO

LATE

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Sixth Legislature, State of Hawaii  
House of Representatives  
Committee on Health

Testimony by  
Hawaii Government Employees Association  
February 24, 2012

H.C.R. 32 - REQUESTING THE GOVERNOR'S  
OFFICE TO CONDUCT A STUDY ON THE EFFICACY OF  
COMBINING STATE GOVERNMENT HEALTH  
POLICY, PLANNING, AND PURCHASING  
IN A SINGLE AGENCY IN ORDER TO ADVANCE  
TRANSFORMATION OF HAWAII'S HEALTH  
CARE SYSTEM AND UNIVERSAL ACCESS TO CARE.

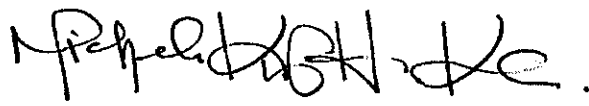
The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of H.C.R. 32 with an amendment. As drafted, H.C.R. 32 calls for a study on the creation of a single health care agency that would be responsible for developing healthcare policy, planning and purchasing of programs. The potential impact on the Departments of Health, Human Services and the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) could be substantial.

The HGEA is very concerned about the provision of affordable and accessible health care benefits to public employees and retirees. With other public employee unions, the HGEA has been a strong proponent of reforming the EUTF through the use of collective bargaining to determine the allocation of limited resources between wages and benefits. We have also advocated for the ability to create health care benefits that meet the needs of our members and their families.

The HGEA and its national union AFSCME recognize the need for reform within the existing health care system by expanding coverage to the uninsured to reduce cost shifting, emphasizing early detection and prevention programs and changing payment practices to promote quality outcomes rather than "fee for service" which encourages inefficient and expensive care.

Because the study called for under H.C.R. 32 will impact the EUTF, the HGEA requests that representatives from the various public employee unions be an integral part of the study conducted by the Governor's Office. Thank you for the opportunity to testify in support of H.C.R. 32 with the suggested amendment.

Respectfully submitted,

  
for Randy Perreira  
Executive Director

**morikawa2 - Grant**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, February 23, 2012 7:37 PM  
**To:** HLTtestimony  
**Cc:** Brenda.Kosky@gmail.com  
**Subject:** Testimony for HCR32 on 2/24/2012 9:15:00 AM

**LATE**

Testimony for HLT 2/24/2012 9:15:00 AM HCR32

Conference room: 329  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Brenda Kosky  
Organization: Individual  
E-mail: [Brenda.Kosky@gmail.com](mailto:Brenda.Kosky@gmail.com)  
Submitted on: 2/23/2012

Comments: