



Maui Memorial
MEDICAL CENTER

Hawaii Health Systems Corporation • Maui Region

January 27, 2011

TO: Senator Josh Green, M.D., Chair
Senator Clarence K. Nishihara, Vice Chair

SENATE COMMITTEE ON HEALTH
Friday, January 28, 2011, 2:45 p.m.
Conference Room 229
State Capitol, 415 Beretania Street

FROM: Wesley Lo
Regional Chief Executive Officer

RE: SB 121 – RELATING TO HEALTH

Thank you for the opportunity to submit testimony in support of SB 121. The purpose of SB 121 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, subject to the Hawaii public procurement code and other relevant state law.

The Maui Region supports this measure but requests that a revision be made to it to clarify that the Clinic itself may be leased to Malama I Ke Ola Health Center, but that the equipment and furnishings *may* be leased as well. The Maui region supports this measure because Malama I Ke Ola Health Center, a federally-qualified health center, is in an excellent position to provide more access to health services than what is currently offered by Kula Hospital's Clinic. However, Kula Hospital or other Hospital facilities in the Maui Region are in need of certain equipment and furnishings for their own operations and therefore the Maui Region may not desire to lease all equipment and furnishings to Malama I Ke Ola Health Center.

Kula Hospital currently loses in excess of \$120,000 per year on clinic operations. While the Clinic offers a valuable service, it has been operating on a limited basis, serving a small patient population. With this type of lease to Malama I Ke Ola Health Center, Kula Hospital would no longer incur such losses and Malama I Ke Ola Health Center would be in a better position to meet the growing demand for health services to the underserved and to enhance outreach to the community.

The Maui Region believes the best use of its scarce resources is to focus on Kula Hospital operations and the functions of Kula Hospital as a Critical Access Hospital. This opportunity is will expand Malama I Ke Ola Health Center's services by provided an established clinic location at low cost and is viewed favorably as a "win-win" situation for the community.

Thank you again for the opportunity to testify in support of SB 121.

Respectfully submitted,


Wesley Lo
Chief Executive Officer
Phone: (808) 442-5100



MĀLAMA I KE OLA
HEALTH CENTER

Senator Josh Green, M.D., Chair
Senator Clarence K. Nishihara, Vice Chair
Committee on Health

Community Clinic of Maui, Inc., dba Mālama I Ke Ola Health Center
Friday, January 28, 2011, 2:45 p.m., Conf. Rm. 229

Support for Senate Bill 121, Relating to Health, Authorizing the Hawaii Health Systems Corporation to Lease The Kula Hospital Medical Clinic to Mālama I Ke Ola Health Center

MAIN CLINIC:

1881 Nani Street
Wailuku, HI 96793
(808) 871-7772
Fax (808) 873-6320

Thank you for the opportunity to testify before the Senate Committee on Health. My name is Dana Alonzo-Howeth, and I am the Executive Director of the Community Clinic of Maui, Inc., dba Mālama I Ke Ola Health Center. I am here to testify in support of Senate Bill 121, which 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.

SATELLITE CLINICS:

Ka Hale A Ke Ola
Resource Center
670-A Waiale Drive
Wailuku, HI 96793

Na Hale O Wainee
Homeless Resource
Center
15 Ipu'Aumakua,
Lahaina, HI 96761

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.

Senate Bill 121 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, Senate Bill 121 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 Senate Bill 121. 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.



Maui United Way

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