



# THE QUEEN'S HEALTH SYSTEMS

1301 Punchbowl Street • Honolulu, Hawaii 96813 • Phone (808) 691-5900

Senator Suzanne Chun Oakland, Chair  
Senator Les Ihara, Jr., Vice Chair  
**COMMITTEE ON HUMAN SERVICES**

Senator Josh Green, Chair  
Senator Clarence K. Nishihara, Vice-Chair  
**COMMITTEE ON HEALTH**

February 6, 2012 – 3:00 p.m.  
State Capitol, Conference Room 229

## **In Support of S.B. 2467, Relating to Hospitals**

My name is Paula Yoshioka, and I am the Senior Vice President for The Queen's Health Systems (QHS). I am testifying for QHS in strong support for S.B. 2467, Relating to Hospitals, which establishes the Hospital Sustainability Program into which hospital sustainability fees shall be deposited. This bill also requires the Department of Human Services to charge and collect a provider fee on health care items provided by hospitals effective July 1, 2012, and repealed on June 30, 2013.

Provider fee programs are currently used in 46 states and the District of Columbia as a means of drawing down additional federal funds to sustain their Medicaid programs. The implementation of a provider fee in Hawaii could assist in stabilizing declining Medicaid payments to facilities and slow down the erosion of access to care for those beneficiaries served by the program. The additional federal funds that could be obtained via the fee program would reduce the amount of loss incurred by Hawaii's hospitals. In FY 10, it is estimated that Queen's cost for the unpaid cost of Medicaid was \$28.3 million.

Thank you for the opportunity to provide testimony on this measure.