



*St. Francis*

HEALTHCARE SYSTEM OF HAWAII  
A Legacy of Caring for Hawaii's People

## **HOUSE COMMITTEE ON HEALTH**

**Representative Ryan I. Yamane, Chair**  
**Representative Dee Morikawa, Vice Chair**

**DATE: Friday, March 16, 2012**  
**TIME: 9:30 a.m.**  
**PLACE: Conference Room 329**  
**State Capitol**  
**415 South Beretania Street**

### **Support for SB2939**

The St Francis Healthcare System of Hawaii remains committed to providing excellent pre- and post-acute care on both Oahu and Kauai. As we are all aware, due to the bankruptcy and closure of the Hawaii Medical Centers East and West, the hospital assets will eventually be returned to the St Francis Healthcare System. The ownership transfer has not yet occurred.

In anticipation of the assets coming back to St Francis, this bill would allow us to obtain financing to make necessary upgrades to both the East and West campuses using special purpose revenue bonds. These funds will be used to proceed with deferred maintenance projects, redesigning, renovating, and upgrading buildings, modernizing technology and other equipment and resurfacing parking lots.

The St Francis Healthcare System seeks to respond to the needs of the community we serve. When the ownership transfer is completed, we will utilize these funds to move our vision forward.

We thank you for considering this bill and for the opportunity to share our thoughts. We know that you are dedicated to improving health care in Hawaii. Catholic healthcare is a vital component of our state's health infrastructure. Please pass SB2939 and share in our vision.

Respectfully,

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HOUSE COMMITTEE ON HEALTH  
Rep. Ryan Yamane, Chair

Conference Room 329  
March 16, 2012 at 9:30 a.m.

**Supporting SB 2939 SD 1:**  
**Relating to the Issuance of Special Purpose Revenue Bonds to Assist St. Francis Healthcare System of Hawaii**

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. In addition to providing quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 40,000 people. Thank you for this opportunity to comment in support of SB 2939 SD 1, which authorizes the issuance of special purpose revenue bonds (SPRBs) for St. Francis Healthcare System of Hawaii.

State law authorizes the Department of Budget and Finance to issue SPRBs for certain types of projects that benefit the community. These projects include health care facilities that are provided to the general public by not-for-profit corporations.

SPRBs are attractive to corporations because they reduce the cost of financing capital projects. At the same time, they are attractive to investors because the interest income derived from them is exempt from State taxes.

It should be noted that the issuance of SPRBs does not involve any appropriation or expenditure of State funds, and it does not affect the financial liability of the State. The bonds are backed by the revenue from the particular project funded by the non-profit corporation.

St. Francis Healthcare System is a nonprofit corporation that intends to use the SPRBs as a means of financing health care facilities. In providing financial support to St. Francis Healthcare System, this bill will improve access to health care for Hawaii's residents.

For the foregoing reasons, the Healthcare Association supports SB 2939 SD 1.



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**Hearing on:** Friday, March 16, 2012  
**Conference Room:** 329

**DATE:** March 16, 2012

**TO:** **House Committee on Health**  
Rep. Ryan Yamane, Chair  
Rep. Dee Morikawa, Vice Chair

**From:** Walter Yoshimitsu, Executive Director

**Re:** Support for SB 2939 SD1 Relating to the issuance of special purpose revenue bonds to assist St. Francis Healthcare System of Hawaii

Honorable Chairs and members of the House Committee on Health, I am Walter Yoshimitsu, **representing the Hawaii Catholic Conference**. The Hawaii Catholic Conference is the public policy voice for the Roman Catholic Church in the State of Hawaii, which under the leadership of Bishop Larry Silva, represents Roman Catholics in Hawaii.

We strongly support this bill that would authorize the issuance of SPRBs of up to \$80,000,000, for St. Francis Healthcare System to construct healthcare facilities.

As you may already know, St. Francis has a long-standing tradition of contributing to the community in Hawaii. Their historical legacy began in 1883 when King Kalakaua personally invited them to come to the islands and provide care and comfort for patients with Hansen's disease.

The legacy of caring established by Blessed Marianne, and the visionaries who followed her, is continued today by the Sisters of St. Francis and St. Francis Healthcare System of Hawaii. We are proud of the continued efforts of the Sisters in Hawaii and look forward to the Canonization of Hawaii's second Saint!

St. Francis Healthcare Systems of Hawaii touches the lives of more than 90,000 patients a year. They are able to accomplish this because they continue to operate St. Francis Hospice, St. Francis Home Care, Franciscan Adult Day Care, St. Francis Health Services for Seniors and many other services. Currently they have plans to expand their outpatient palliative care program and build the St. Francis Intergenerational Center (a combined pre-school and adult day care.)

The issuance of these bonds will help St. Francis Healthcare systems continue to provide the outstanding care and services that have served this community so well.

Mahalo for the opportunity to testify.