



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SIXTH LEGISLATURE, 2012**

ON THE FOLLOWING MEASURE:

S.B. NO. 2958, S.D. 2, H.D. 1, RELATING TO HEALTH.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Tuesday, April 3, 2012

TIME: 6:00 p.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): David M. Louie, Attorney General, or
Blair Goto, Deputy Attorney General

Chair Oshiro and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of this bill is to appropriate \$500,000 of general funds to establish a new peripheral blood stem cell/apheresis program (apheresis program) in Hawaii as a chapter 42F, Hawaii Revised Statutes (HRS), grant. The grant recipient is Kapiolani Medical Center for Women and Children (Kapiolani), a domestic nonprofit corporation, and the bill identifies the Department of Health as the expending agency.

Section 42F-103, HRS, provides, in relevant part:

(a) Grants and subsidies shall be awarded only to individuals who, and organizations that:

- (1) Are licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;

It is our understanding that an apheresis program would separate out certain desired products from blood such as blood stem cells, and is necessary to support a bone marrow transplant program. Hawaii Medical Center (HMC) ran an accredited apheresis program prior to its closure, and Kapiolani relied upon HMC's services and products in conducting its own pediatric bone marrow transplant program. It is our further understanding that while Kapiolani, the grant recipient for this appropriation, is currently accredited to conduct bone marrow transplants, Kapiolani is not currently licensed or accredited to conduct an apheresis program in Hawaii. We do not know whether Kapiolani has applied for the necessary accreditation at issue. In any event, Kapiolani is not currently qualified to be an eligible recipient for a chapter 42F

grant to conduct an apheresis program in Hawaii. For this reason, we recommend that the effective date of the bill be modified so that section 2 of the bill would take effect on the date that the grant recipient becomes licensed or accredited to conduct an apheresis program in Hawaii, provided that the grant recipient delivers a copy of the document evidencing that licensure or accreditation to the expending agency, the Department of Health. We recommend that section 1 of the bill continue to have an effective date of July 1, 2012.

We respectfully request that if the Committee intends to pass this bill, the recommended amendments be made.



55 Merchant Street
Honolulu, Hawai'i 96813-4333

HAWAII PACIFIC HEALTH
Kapi'olani • Pali Momi • Straub • Wilcox

808-535-7401
www.hawaiipacifichealth.org

April 3, 2012; 6:00 P.M.
Conference Room 308

The House Committee on Finance

To: Representative Marcus Oshiro, Chair
Representative Marilyn Lee, Vice Chair

From: Hawaii Pacific Health

Re: **SB 2958, SD2, HD1 RELATING TO HEALTH**
Testimony in Support

Good evening. My name is Dr Randal Wada. I am a pediatric hematologist–oncologist practicing at Hawai'i Pacific Health (HPH) and have treated many young bone marrow transplant patients at Kapi'olani Medical Center for Women & Children over the years.

Kapiolani Medical Center for Women and Children is in the process of making the pledge to match the grant in aid application. This bill ensures consistency with the application for grant in aid for the establishment of the apheresis program at Kapiolani Medical Center for Women and Children.

HPH is committed to continuing comprehensive bone marrow transplant services to our very vulnerable pediatric patient population, for whom travel to the Mainland for care is less feasible than for adults. We are concerned about the loss of the adult bone marrow transplant program at HMC and the negative effect this will have on adult cancer patients. However, the hospital's closure has also jeopardized our ability to perform transplants on children because of the concomitant loss or endangerment of vital support services that were previously housed there. The apheresis program provides the means to collect blood stem cells for subsequent transplantation, as well as the laboratory services needed to properly prepare these cells and is key to the bone marrow transplant program.

HPH is prepared to undertake the bone marrow transplant program for pediatric patients at this time. We estimate it will require about \$500,000 to support start up costs for a replacement stem cell collection program, which includes equipment, staffing and training. We are willing to match this appropriation with an equal amount in expenses that HPH would commit to the pediatric bone marrow transplant program.

We request that the measure become effective upon approval.

Thank you for the opportunity to testify.

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.



STRAUB
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Affiliates of Hawai'i Pacific Health



HOUSE COMMITTEE ON FINANCE
Rep. Marcus Oshiro, Chair

Conference Room 308
April 3, 2012 at 6:00 p.m. (Agenda #5)

Supporting SB 2958 SD2 HD 1: Relating to Health

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 testify in support of SB 2958 SD 2 HD 1, which appropriates funds for a grant to Kapiolani Medical Center for Women and Children to implement a peripheral blood stem cell/apheresis program.

This bill will assure the continuation of comprehensive bone marrow transplant services at Kapiolani Medical Center for Women and Children. The closure of Hawaii Medical Center East resulted in the loss of Hawaii's only adult bone marrow transplant program. It has also jeopardized the ability of Kapiolani Medical Center to perform transplants on children because of the loss or endangerment of vital support services that were housed at Hawaii Medical Center East. The apheresis program provides the means to collect blood stem cells for subsequent transplantation, as well as the laboratory services needed to properly prepare these cells and is key to the bone marrow transplant program.

Pediatric bone marrow transplant services are needed in Hawaii because travel to the mainland for treatment is, in many cases, impractical for the vulnerable population. Hawaii's children deserve to have this program continued.

For the foregoing reasons, the Healthcare Association of Hawaii supports SB 2958 SD 2 HD 1.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, April 02, 2012 1:58 PM
To: FINTestimony
Cc: csn@hawaii.rr.com
Subject: Testimony for SB2958 on 4/3/2012 6:00:00 PM
Attachments: S B 2958 SD2 HD1 - Relating to Health.pdf

Testimony for FIN 4/3/2012 6:00:00 PM SB2958

Conference room: 308
Testifier position: Support
Testifier will be present: Yes
Submitted by: Dr. Randal Wada
Organization: Kapiolani Medical Center
E-mail: csn@hawaii.rr.com
Submitted on: 4/2/2012

Comments: