

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



**LATE
TESTIMONY**

LORETTA J. FUDDY, A.C.S.W., M.P.H.
ACTING DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
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In reply, please refer to:
File:

Senate Committee on Health

February 2, 2011

**Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Acting Director of Health
SB594, Relating to Health**

1 **Department's Position:** Reservations

2 **Fiscal Implications:** General funds appropriation

3 **Purpose and Justification:** The Hawaii Department of Health respectfully expresses reservations
4 regarding the architecture of the proposed Authority and its integration with existing artifacts of health
5 governance.

6
7 The Department recognizes the need to align Hawaii's healthcare and public health stakeholders in the
8 midst of sweeping changes to the healthcare landscape such as Health Information Technology and
9 healthcare reform, as well as elevate extant issues like workforce development. That being said, we ask
10 the Committee to reflect on the following observations and recommendations:

11
12 A. In addition to supporting provider-based healthcare service delivery, the Department
13 recommends stronger language emphasizing public health, including emphasis on environmental
14 and social determinants of health. One specific recommendation is introducing to the Authority
15 the concept of a "health in all policies" model wherein the State commits to a "whole of

1 government approach to health” by examining all public and private sector policy making
2 through a health lens, e.g. “health impact statements.”

3 B. The Department also seeks clarification on the Authority’s relationship with existing agencies
4 and lines of authority, to head off any future legal complications. For example:

- 5 a. Do the Authority’s rules supersede those of established executive agencies?
- 6 b. Can the authority seek waivers from rules for itself or on behalf of others?
- 7 c. How binding the Comprehensive Health Plan is to the executive agencies with significant
8 healthcare portfolios such as the Department of Commerce and Consumer Affairs, the
9 Department of Human Services, and the State Health Planning and Development Agency.
- 10 d. How is the advisory nature of the Authority reconciled with its ability to create and
11 enforce administrative rules?

12 C. The Department believes the success of health planning can be improved by including specific
13 critical stakeholders such as:

- 14 a. Behavioral Health
- 15 b. Neighbor Island or rural representation
- 16 c. Environmental health

17 D. The Department humbly recommends other interim or concurrent steps the Legislature can take
18 to support the Authority’s goals, particularly since subject-matter expertise already exist within
19 the executive agencies. Alternate approaches may also include:

- 20 a. Increasing resources for units in executive agencies already working on these issues
21 including expanding the statutory authority for these entities
- 22 b. Providing for a health systems coordinator to work full-time with the executive agencies
23 to track and shape health policy between the legislative and executive branches

Feb 2, 2011

Senator Josh Green
State Capitol, Room 222
415 South Beretania Street
Honolulu, HI 96813

LATE TESTIMONY

Dear Senator Green,

Thank you to express my support for SB 594, which establishes a Health Authority to create a statewide health plan.

Hawaii is fortunate to have a myriad of health care providers that deliver quality care. However, the health care environment is complex, and in Hawaii there is no comprehensive plan that provides for the coordination of health care.

State government is the only entity that has the broad authority to create a statewide health plan, and SB 594 creates the mechanism to do so. The health plan would be created by a new Health Authority established within the Office of the Governor. The placement of the Authority is appropriate because various State agencies have responsibility for different aspects of health care.

The membership of Authority would include the health industry and other interests. The Healthcare Association of Hawaii, which represents the range of different types of health care providers, would be a natural choice to participate as a member of the Authority.

Hawaii needs a statewide health plan, and I support SB 594.

Sincerely,

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HMSA

LATE



An Independent Licensee of the Blue Cross and Blue Shield Association

February 2, 2011

The Honorable Josh Green M.D., Chair
The Honorable Clarence K. Nishihara., Vice Chair
Senate Committee on Health

Re: SB 594 – Relating to Health

Dear Chair Green, Vice Chair Nishihara and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on SB 594 which would create the Hawaii Health Authority within the Office of the Governor. We appreciate the intent of the legislation to create an entity that would be responsible for the overall health planning for the State.

We are concerned that the Authority's scope of responsibility may be overwhelming, given the immediate need for the State to address the mandates of the federal Affordable Care Act (ACA). As drafted, the Authority would be responsible for recommending a comprehensive health plan to include not only the current and long-term capacity needs of the health system, but also would be responsible to provide recommendations regarding the implementation of the ACA, including the implementation of a health insurance exchange; the implementation of the Hawaii Health Information Exchange; initiatives to increase the number or primary care physicians in Hawaii; and implementation of patient-centered medical homes.

Given the mandate of the ACA to have a Health Exchange in place and operational by January 1, 2014, we believe focus must be on that effort. We would not want to miss any federal deadlines and risk having the federal government assume control of Hawaii's health care system.

While we find the goal of this measure to be laudable, timely implementation of the ACA's mandates must be a priority for the State.

Thank you for the opportunity to testify today.

Sincerely,

A handwritten signature in black ink, appearing to read "JD".

Jennifer Diesman
Vice President
Government Relations

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