



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION  
AFSCME Local 152, AFL-CIO

RANDY PERREIRA  
*Executive Director*  
Tel: 808.543.0011  
Fax: 808.528.0922

NORA A. NOMURA  
*Deputy Executive Director*  
Tel: 808.543.0003  
Fax: 808.528.0922

DEREK M. MIZUNO  
*Deputy Executive Director*  
Tel: 808.543.0055  
Fax: 808.523.6879

The Twenty-Sixth Legislature, State of Hawaii  
The Senate  
Committee on Human Services

Testimony by  
Hawaii Government Employees Association  
February 1, 2011

S.B. 785 – RELATING TO  
HEALTH

The Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO, strongly supports the purpose and intent of S.B. 785 - Relating to Health. This bill would match the federal Medicaid disproportionate share hospital (DSH) appropriation of \$10 million per year, which has been secured through 2019.

However, these federal Medicaid funds cannot be drawn down without a matching state appropriation. The \$8.654 million state appropriation for FY 2011-12 will enable the Department of Human Services to utilize the available federal disproportionate share hospital allowance allocated to the state.

Hawaii's hospitals, including the Hawaii Health Systems Corporation, provide health care services to thousands of uninsured patients each year. DSH payments are of critical importance to our public and private hospitals because it helps to cover the increasing cost of uncompensated care in Hawaii.

The HGEA/AFSCME appreciates the opportunity to speak in strong support of S.B. 785.

Sincerely,

Nora A. Nomura  
Deputy Executive Director





# THE QUEEN'S MEDICAL CENTER

1301 Punchbowl Street • Honolulu, Hawaii 96813 • Phone (808) 538-9011 • Fax: (808) 547-4646

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

February 1, 2011 - 1:30 p.m.  
State Capitol, Conference Room 016

## **In Strong Support of SB 785, Relating to Health**

Chair Yamane, Vice Chair Morikawa and Members of the Committee,

My name is Rick Keene, Executive VP and Chief Financial Officer for The Queen's Health Systems. I am testifying for The Queen's Medical Center in strong support of SB 785, which appropriates State funds to match federal funding of \$10 million for the Disproportionate Share Hospital (DSH) allowance for Medicaid/Quest patients.

Medicaid/Quest is the cornerstone of health care for our most needy population. In fiscal year 2010, The Queen's Medical Center treated 6,124 inpatients and 39,411 outpatients who were covered by Medicaid/Quest. Hawaii's hospitals in particular have been detrimentally affected by the inadequacy of Medicaid/Quest reimbursements and payments, and have annually lost tens of millions of dollars because government reimbursement is far below the cost of providing medical care. In 2008 Hawaii's hospitals experienced losses totaling \$114 million in bad debt and charity care, which may be attributed largely to patients who were uninsured and unable to pay for their care.

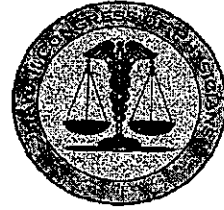
The proposed State funding of \$8,654,621 for fiscal year 2011-2012 combined with the federal appropriation will supplement the reimbursement shortfall for Medicaid/Quest patients. Without state matching funds, the federal funding will be lost. Your support and approval of SB 785 is crucial toward enabling Hawaii's hospitals to continue to serve the needy.

Thank you for the opportunity to testify.



<http://www.h-c4h.org>

302 California Ave. #209  
Wahiawa, HI 96786  
Ph: 622-2655  
Fax: 622-5599



<http://www.h-cop.org>

### TESTIMONY ON S.B.788 RELATING TO HEALTH

Tuesday February 1, 2011

11:30 a.m.

State Capitol, Conference Room 016

Testimony from Dr. Arleen Jouxson-Meyers  
Hawaii Coalition for Health and  
Hawaii Congress of Physicians and Other Healthcare Providers

Dear Committee Chair and Members:

#### **THE HCFH AND HCOP STRONGLY SUPPORT PASSAGE OF S.B. 788.**

We appreciate the opportunity to submit testimony on this measure.

Since 1996, the Hawaii Coalition For Health has advocated to protect the rights of healthcare consumers in Hawaii.

Recently, DHS has taken protracted periods of time to determine a patient's eligibility for Medicaid coverage, not only patients waitlisted for long-term care, but also for newborns and seriously ill patients. It is my experience in my own practice that newborns of both Medicaid-eligible mothers and mothers applying for Medicaid for the first time are delayed 3-6 months before getting coverage. In the meantime, these patients go without necessary care or depend upon the generosity of providers to provide the care on the expectation that they may get paid eventually.

Sincerely,

Arleen Jouxson-Meyers, M.D., J.D., M.P.H.,  
President



SENATE COMMITTEE ON HUMAN SERVICES  
Sen. Suzanne Chun Oakland, Chair

Conference Room 016  
Feb. 1, 2011 at 1:30 p.m.

**Supporting SB 785.**

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. Thank you for this opportunity to testify in support of SB 785, which appropriates State funds to match available Federal DSH funds.

The federal government makes Disproportionate Share Hospital (DSH) payments available to hospitals that serve high numbers of low-income patients. DSH partially pays for care that is not covered by insurance such as Medicare, Medicaid, or private insurance. In 2009, Hawaii's hospitals experienced losses totaling \$114 million in bad debt and charity care, which may be attributed largely to patients who were uninsured and unable to pay for their care. Federal DSH funds are distributed to states, which in turn distribute the funds to the individual hospitals.

Although Hawaii's hospitals incur losses resulting from care that is provided to patients without insurance, Hawaii does not receive DSH funding on a regular basis. Hawaii lost DSH with the creation of its QUEST program under Medicaid. However, in recent years Hawaii's Congressional Delegation has been able to secure appropriations for DSH payments to Hawaii's hospitals, and \$100 million in federal DSH funds have been secured until 2019, or \$10 million per year, through the Affordable Care Act. These federal funds may be matched by State funds using the Federal Medical Assistance Percentage (FMAP).

The Healthcare Association would like to thank the Legislature for passing a bill last year that appropriated State funds to match federal DSH funds. Unfortunately, these funds were not released by the last administration.

The DSH bill proposed for the 2011 session would appropriate the State match for additional federal DSH funds that are available as of July 1, 2010 moving forward. The Healthcare Association has had conversations with the MedQuest, and it is believed that the FMAP will be 50.48% when the federal funds are matched, meaning that the State would need to appropriate approximately \$9.8 million.

With an amendment to the appropriation amount, the Healthcare Association supports SB 785.



## **Hawai'i Primary Care Association**

345 Queen Street | Suite 601 | Honolulu, HI 96813-4718 | Tel: 808.536.8442 | Fax: 808.524.0347  
www.hawaiipca.net

**Senate Committee on Human Services**  
The Hon. Suzanne Chun Oakland, Chair  
The Hon. Les Ihara, Jr., Vice Chair

### **Testimony in Support of Senate Bill 785**

#### **Relating to Health**

**Submitted by Beth Giesting, Chief Executive Officer**

**February 1, 2011, 1:30 p.m., Room 016**

The Hawai'i Primary Care Association supports this measure which would provide more adequate payments to support hospitals for their care of Medicaid patients.

Thank you for the opportunity to testify on this measure.

Testimony of  
John M. Kirimitsu  
Legal & Government Relations Consultant

Before:  
Senate Committee on Human Services  
The Honorable Suzanne Chun Oakland, Chair  
The Honorable Les Ihara, Jr., Vice Chair

February 1, 2011  
1:30 pm  
Conference Room 016

**Re: SB 785 Relating to Health**

Chair, Vice Chair, and committee members, thank you for this opportunity to provide testimony on SB 785 that would appropriate state funds to match federal funding for the disproportionate share hospital allowance.

**Kaiser Permanente Hawaii supports this bill.**

The cost of delivering health care in Hawaii and across the nation continues to mount. Kaiser Hawaii recognizes that a combined state and federal funding is imperative to help offset the increasing costs of providing continuing health care in Hawaii's communities. In an effort to ensure that health care payments are sufficient to cover the actual costs of care provided to Hawaii's most vulnerable Medicaid population, Kaiser Hawaii supports this measure to appropriate the required state funds necessary to match the federal Medicaid disproportionate share hospital (DSH) appropriation of \$10,000,000 for Hawaii.

The proposed State appropriation that is deemed necessary for fiscal year 2011-2012 to match the federal disproportionate share hospital allowance allocated to the State, together with the federal appropriation, will help support funding of quality health care for the State of Hawaii's Medicaid population, and provide much needed assistance in covering the actual costs of the care provided.

Thank you for the opportunity to comment.

Jan 28, 2011

Senator Suzanne Chun Oakland  
State Capitol, Room 226  
415 South Beretania Street  
Honolulu, HI 96813

Dear Senator Chun Oakland,

The federal government makes Disproportionate Share Hospital (DSH) payments available to hospitals that serve high numbers of low-income patients. DSH partially pays for care that is not covered by insurance such as Medicare, Medicaid, or private insurance. In 2009, Hawaii's hospitals experienced losses totaling \$114 million in bad debt and charity care, which may be attributed largely to patients who were uninsured and unable to pay for their care. Federal DSH funds are distributed to states, which in turn distribute the funds to the individual hospitals.

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I would like to thank the Legislature for passing a bill last year that appropriated State funds to match federal DSH funds. Unfortunately, these funds were not released by the last administration.

The DSH bill proposed for the 2011 session would appropriate the State match for additional federal DSH funds that are available as of July 1, 2010 moving forward. .

With an amendment to the appropriation amount, I can support SB 785

Thank you.

Sincerely,

Mr. Kevin Roberts  
640 Ulukahiki St  
Kailua, HI 96734-4454

Jan 28, 2011

Senator Suzanne Chun Oakland  
State Capitol, Room 226  
415 South Beretania Street  
Honolulu, HI 96813

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The DSH bill proposed for the 2011 session would appropriate the State match for additional federal DSH funds that are available as of July 1, 2010 moving forward. .

With an amendment to the appropriation amount, I can support SB 785

Thank you.

Sincerely,

Mr. Paul Gammie  
3985 Maalaea Bay Pl  
Wailuku, HI 96793-5916  
(808) 281-6902