

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEES ON HEALTH AND LABOR
& PUBLIC EMPLOYMENT
ON
HOUSE BILL NO. 1130

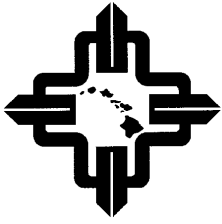
February 6, 2013

RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

House Bill No. 1130 amends the Hawaii Health Systems Corporation board by replacing the five regional chief executive officers with five members who are appointed by the respective regional boards and adds five members who are appointed by the mayors of the respective counties of the regional boards. With the addition of the five appointees, each regional board will consist of 17 members.

The Department of Budget and Finance has concerns with this bill.

The regional boards oversee operations of their respective hospital facilities with the autonomy needed for the community hospitals to provide necessary services and remain viable. The deletion of the regional/chief executive officers and the addition of five members who are appointed by the respective county mayors, could possibly increase politicalization of these regional boards; thus, hindering the ability of the regional boards to operate these facilities efficiently and effectively.



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N
Quality Healthcare For All

**House Committee on Health
Representative Della Au Belatti, Chair
Representative Dee Morikawa, Vice-Chair**

And

**House Committee on Labor Representative Mark Nakashima, Chair
Representative Mark Hashem, Vice-Chair**

Wednesday, February 6, 2013
Conference Room 329
8:30 a.m.
Hawaii State Capitol

Testimony opposing House Bill 1130, Relating to the Hawaii Health Systems Corporation. Replaces the five regional chief executive officers on the Hawaii health systems corporation board with five members who are appointed by the mayors of the respective counties to which the members represent.

Bruce S. Anderson, Ph.D.
President and Chief Executive Officer
Hawaii Health Systems Corporation

Hawaii Health Systems Corporation (HHSC) opposes HB 1130 as it does not fix the governance structure problems. Instead, it adds more politics to the situation by adding the county mayors into the appointment process. The State was given ownership and responsibility over the public health facilities many decades ago by the counties. The State retains the responsibility to help fund the facilities and to oversee them. Therefore, it would not be appropriate to give the 5 mayors the ability to appoint board members, as the counties do not have the same fiscal and oversight responsibility for the hospitals. While HHSC agrees that the current structure is flawed, it is preferred that the solutions suggested in HB 1484 be considered instead, which allows the governor to appoint more community members to replace the regional CEOs as board members.

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Testimony in support of HB 1130 relating to the Hawaii Health Systems Corporation.

To: Committee On Health

Hearing: Wednesday, February 6, 2013; 8:30 am; Conference Room 329

From: Gary Yoshiyama, 1247 Launa Street, Hilo, HI 96720

I am submitting testimony in support of HB 1130 which replaces the five regional chief executive officers on the Hawaii Health Systems Corporation board with five members who are appointed by the mayors of the respective counties to which the members represent.

I have had the privilege of serving on the HHSC East Hawaii Regional Board for the past 3 ½ years. As a matter of disclosure, I am submitting this testimony as an individual and community member; I am not testifying on behalf of the HHSC East Hawaii Regional Board.

I am in full agreement with the purpose and intent of HB 1130. We are facing numerous new challenges, and I believe the regions need the full attention and energy of our CEOs. There is much work to be done at both the corporate and regional levels, and requiring CEOs to devote their time and energy at both levels is too much and all of us are short changed. Furthermore I believe the question of and burden of conflicts of interest need to be removed.

On the matter of appointing additional community members to replace our CEOs – I believe the time has come to increase community member involvement at the corporate level. It is my opinion that the legislative move to increase community involvement and responsibilities at the regional level has proved successful and I believe it will be successful at the corporate level.

Thank you very much.

House of Representatives
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
Committee on Health
Committee on Labor & Public Employment

February 6, 2013

H.B. 1483 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

Chair Belatti, Chair Nakashima, and members of the Committee on Health and Committee on Labor & Public Employment:

Thank you for the opportunity to provide testimony in strong support of H.B. 1483 and H.B. 1484, which permits the regional systems of the Hawaii health systems corporation and their health facilities to transition to non-public status and amends the governance structure of the Hawaii Health Systems Corporation (HHSC).

My name is Kristina Stone and I have served as a Social Worker for over 8 years. I am currently the Director of Social Work for Maui Memorial Medical Center and as a government employee; I dedicate my career to public service and the needs of our community. I believe a public partnership is the only way to ensure our community will continue to receive high quality health care. Furthermore, a private partnership would give our community access to financial resources to expand on services which we currently lack as well as higher grade technologies, equipment, and training. Claims that all employees would be fired are ridiculous as we struggle to recruit qualified applicants as it is. If anything allowing a company such as Banner Health to come in would likely result in more competitive wages and more attraction for qualified applicants and keeping educated and capable citizens employed in Hawaii as opposed to driving them to the mainland for employment. Our current system is not sustainable and is an unfair and unjust burden to the Hawaii State taxpayer. It is irresponsible and ignorant to believe we can continue to depend on state subsidies for operations. I strongly support the passage of H.B. 1483 and H.B. 1484 and urge you to do the same. Thank you for the opportunity to provide testimony.
Respectfully submitted,

Kristina N. Stone, MSW
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