

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 1483, H.D. 2, S.D. 1

March 25, 2013

RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

House Bill No. 1483, H.D. 2, S.D. 1, establishes a task force which shall consist of the following nine members: the Director of Health or a designee; the Attorney General or a designee; the Director of Finance or a designee; the Chief Executive Officer of the Hawaii Health Systems Corporation (HHSC) or a designee; a member of the corporation board of the HHSC; two public sector representatives; the Director of the State Health Planning and Development Agency; and the Dean of the John A. Burns School of Medicine or a designee, to study the feasibility and merits of allowing the operations of one or more regional systems of the HHSC or their health facilities to transition to public-private partnership status. The task force shall report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the regular session of 2014.

The Department of Budget and Finance supports this revision of the bill and is open to exploring various avenues to improve the HHSC's ability to provide quality health services and to increase its economic viability.

"Health care that is safe, health care that works, and health care that leaves no one behind"

THE SENATE
THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2013

COMMITTEE ON WAYS AND MEANS
Senator David Y. Ige, Chair
Senator Michelle N. Kidani, Vice Chair

NOTICE OF DECISION MAKING
DATE: Monday, March 25, 2013
TIME: 9:15 a.m.
PLACE: Conference Room 211
State Capitol
415 Beretania St.

Howard Ainsley
East Hawaii Regional CEO
Hawaii Health Systems Corporation

HB 1483, SD1 -- Task Force; HHSC Transition to Public-private Partnership Status

Thank you for the opportunity to submit comments for **HB 1483, SD1**. The purpose of this measure is to study the feasibility and merits of allowing the operations of one or more regional systems of the Hawaii Health Systems Corporation, or one or more of its individual health facilities, to transition to non-public status.

The original version of this bill would have allowed HHSC to transition to public status, enabling the facilities to explore public-private partnerships. There are numerous benefits to this business model which include:

- Access to private capital to expand services.
- Private sector compensation packages to retain qualified medical service personnel.
- Efficiencies of scale and an integrated clinical delivery system with increased resources.
- Development of a sustainable model of health care delivery that will lower costs and improve the overall quality of services to the community.

Collectively, the East Hawaii, West Hawaii, Maui Regional and HHSC Corporate Boards acknowledge that a corporate partnership strategy must be pursued, with the first step involving re-structuring HHSC governance and completion of a process for identifying the right entity with which to enter into a partnership. Board "must haves" include aligned missions, preservation of the safety-net, and cultural competence (business and clinical), to name a few. The Boards strive to complete this entire process within the next 2-3 years and recognize the need for continued State support during a transition period.

Again, I thank you for this opportunity to provide comments.

Respectfully submitted by: Howard Ainsley, East Hawaii Regional CEO
1190 Waianuenu Avenue, Hilo, HI 96720
(808) 932-3101

"Health care that is safe, health care that works, and health care that leaves no one behind"

THE SENATE
THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2013

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NOTICE OF DECISION MAKING
DATE: Monday, March 25, 2013
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PLACE: Conference Room 211
State Capitol
415 Beretania St.

Kaloa R.N. Robinson
Director of Marketing
Hilo Medical Center

HB 1483, SD1 -- Task Force; HHSC Transition to Public-private Partnership Status

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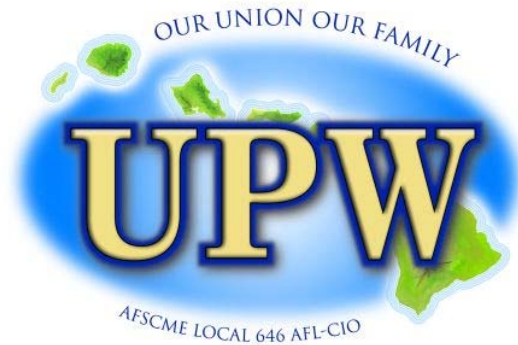
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Again, I thank you for this opportunity to provide comments.

Respectfully submitted by: Kaloa R.N. Robinson, Director of Marketing, Hilo Medical Center
1190 Waianuenue Avenue, Hilo, HI 96720
(808) 932-3251



THE HAWAII STATE SENATE
The Twenty-Seventh Legislature
Regular Session of 2013

COMMITTEE ON WAYS & MEANS

The Honorable Sen. David Ige, Chair
The Honorable Sen. Michelle Kidani, Vice Chair

DATE OF HEARING: Monday, March 25, 2013
TIME OF HEARING: 9:15 a.m.
PLACE OF HEARING: Conference Room 211

TESTIMONY ON HB1483 HD2 SD1 RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

By DAYTON M. NAKANELUA,
State Director of the United Public Workers, AFSCME Local 646, AFL-CIO

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 11,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

UPW opposes this measure that establishes a task force to study, among other things, the feasibility of allowing the operations of the Hawaii Health Systems Corporation regional systems and their facilities to transition to public-private partnership status.

The Hawaii Health Systems Corporation (HHSC) provides public health services to the most vulnerable in our community. Recipients of Medicare or Medicaid depend upon state health care facilities for their health care needs. Transitioning to public-private partnership status will negatively impact critical health services that so many in our community rely on.

HHSC, one of the largest employers on the neighbor islands, creates job opportunities for our local people. It is vital that we maintain jobs so that residents can afford to keep calling Hawaii home. Though the transition to public-private partnership status may appear to achieve some cost savings, the ramifications in the long run are of great concern. We encourage the Committee to keep in mind that the purpose of HHSC is to provide a safety net and that this net will be compromised if the transition to public-private partnership status occurs. We respectfully ask that the Committee hold this measure. Thank you for the opportunity to testify.



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: aniko65@live.com
Subject: Submitted testimony for HB1483 on Mar 25, 2013 09:15AM
Date: Sunday, March 24, 2013 10:29:41 PM

HB1483

Submitted on: 3/24/2013

Testimony for WAM on Mar 25, 2013 09:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Avi Okin	Individual	Oppose	No

Comments: This is a PLDC for hospitals. Private-public joint ventures very often tend to rob the public and enrich the private. Hospitals are too important for this venture to be ultimately beneficial to Hawai'i.

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To: [WAM Testimony](#)
Cc: lotuslover@hotmail.com
Subject: *Submitted testimony for HB1483 on Mar 25, 2013 09:15AM*
Date: Monday, March 25, 2013 6:55:27 AM

HB1483
Submitted on: 3/25/2013
Testimony for WAM on Mar 25, 2013 09:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
courtney Bruch	Individual	Oppose	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: deborahimonti@gmail.com
Subject: *Submitted testimony for HB1483 on Mar 25, 2013 09:15AM*
Date: Saturday, March 23, 2013 9:48:55 AM

HB1483

Submitted on: 3/23/2013

Testimony for WAM on Mar 25, 2013 09:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Deborah Imonti	Individual	Oppose	No

Comments:

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The Twenty-Seventh Legislature
Regular Session of 2013

THE SENATE

Committee on Ways and Means

Senator David Y. Ige, Chair

Senator Michelle N. Kidani, Vice Chair

State Capitol, Conference Room 211

March 25, 2013; 9:15 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1483, HD2, SD1
RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION**

The ILWU Local 142 supports H.B. 1483, HD2, SD1, which establishes a task force to study, among other things, the feasibility of allowing the operations of the Hawaii Health Systems Corporation regional systems and their facilities to transition to public-private partnership status.

The ILWU has members and retired members living on all islands. Most of them live on the neighbor islands and in rural areas where health care resources are limited. They rely heavily on the safety net services available through the Hawaii Health System Corporation, a quasi-public entity. HHSC facilities provide acute and long-term care as well as needed emergency room services. In a place like Pahala, having an HHSC emergency room nearby can literally mean the difference between life and death.

We fully understand that HHSC facilities have been struggling to survive. They continually need legislative support precisely because, as a safety net, they are the providers of last resort. Patient volume is often low and HHSC's primary services at most facilities is long-term care, which does not generate revenue and, in fact, is a drain on resources. Yet the services are desperately needed by the people in their communities.

We support a task force to look at how to keep all the HHSC facilities functioning to provide a safety net for rural communities. The option of privatization, while tempting, will only shred the safety net, particularly in remote areas, and will likely end up costing the State even more money. The task force offers a measured approach to considering all options and facilitating development of public-private partnerships that may help to infuse badly needed resources into the HHSC system.

The ILWU urges passage of H.B. 1483, HD2, SD1. Thank you for the opportunity to share our views and concerns.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: palmtree7@earthlink.net
Subject: Submitted testimony for HB1483 on Mar 25, 2013 09:15AM
Date: Saturday, March 23, 2013 10:29:37 AM

HB1483

Submitted on: 3/23/2013

Testimony for WAM on Mar 25, 2013 09:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
janice palma-glenie	Individual	Oppose	No

Comments: please educate yourselves thoroughly on the failure of public-private partnerships. then vote "no" on it. mahalo.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: juliahorn1@yahoo.com
Subject: *Submitted testimony for HB1483 on Mar 25, 2013 09:15AM*
Date: Saturday, March 23, 2013 7:45:40 AM

HB1483

Submitted on: 3/23/2013

Testimony for WAM on Mar 25, 2013 09:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Julia Horn	Individual	Oppose	No

Comments:

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To: [WAM Testimony](#)
Cc: paikoman@yahoo.com
Subject: Submitted testimony for HB1483 on Mar 25, 2013 09:15AM
Date: Saturday, March 23, 2013 3:44:28 AM

HB1483

Submitted on: 3/23/2013

Testimony for WAM on Mar 25, 2013 09:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Andrews	Individual	Oppose	No

Comments: Bad idea. PLDC in any form is NOT okay. No way, hands off our healthcare.

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To: [WAM Testimony](#)
Cc: shannonkona@gmail.com
Subject: *Submitted testimony for HB1483 on Mar 25, 2013 09:15AM*
Date: Saturday, March 23, 2013 11:30:07 PM

HB1483

Submitted on: 3/23/2013

Testimony for WAM on Mar 25, 2013 09:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Rudolph	Individual	Oppose	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: sherrianwitt@aol.com
Subject: *Submitted testimony for HB1483 on Mar 25, 2013 09:15AM*
Date: Saturday, March 23, 2013 8:59:48 AM

HB1483

Submitted on: 3/23/2013

Testimony for WAM on Mar 25, 2013 09:15AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
sherrian witt	Individual	Oppose	No

Comments:

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