

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1484, H.D. 2

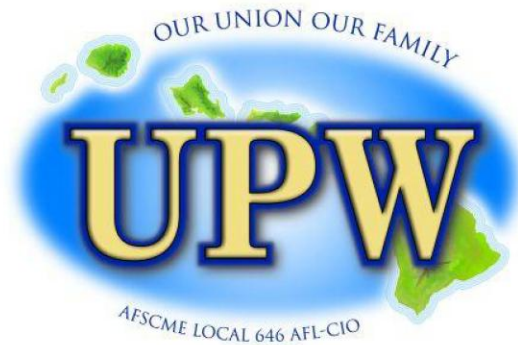
February 22, 2013

RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

House Bill No. 1484, H.D. 2, makes the following amendments to Chapter 325F, HRS, which governs the Hawaii Health Systems Corporation (HHSC): establishes a new personnel system; creates new collective bargaining units; changes the regional chief executive officers from voting to nonvoting members; completely exempts HHSC from the provisions of Chapter 37D, HRS; and clarifies powers of the HHSC board and regional boards.

The Department of Budget and Finance recognizes the need to improve the structure and flexibility of HHSC; however, we oppose the amendment to completely exempt HHSC from the provisions of Chapter 37D, Management of Financing Agreements. Presently, HHSC is exempted from the provisions of Chapter 37D, HRS, if a financing agreement is less than \$5,000,000 and the aggregate in any fiscal year does not exceed \$25,000,000. House Bill No. 1484, H.D. 2, removes these dollar limits; thus, enabling HHSC to enter into financing agreements without any financial oversight from the State. Considering that the State continues to be responsible for a number of long-standing liabilities of HHSC, any amendment that removes State oversight, but leaves State liability is not tenable.

With regard to the amendments creating new collective bargaining units for HHSC, it should be pointed out that HHSC is already recognized as a separate public employer jurisdiction pursuant to Section 89-2, HRS. As such, HHSC has the authority to negotiate supplemental agreements to existing collective bargaining agreements under Section 89-6(e), HRS.



THE HAWAII STATE HOUSE OF REPRESENTATIVES
The Twenty-Seventh Legislature
Regular Session of 2013

COMMITTEE ON FINANCE

The Honorable Rep. Sylvia Luke, Chair
The Honorable Rep. Scott Nishimoto, Vice Chair
The Honorable Rep. Aaron Ling Johanson, Vice Chair

DATE OF HEARING: Friday, February 22, 2013

TIME OF HEARING: 3 p.m.

PLACE OF HEARING: Conference Room 308

**TESTIMONY ON HB1484 HD2 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.

The UPW opposes this measure that amends the governance structure of Hawaii Health Systems Corporation (HHSC); makes the regional chief executive officers nonvoting members; establishes the HHSC personnel system and new collective bargaining units; and delineates the HHSC Board's and regional boards' powers because it (1) undermines prior commitments made to public employees, (2) eliminates the merit principle, and (3) nullifies the right to engage in collective bargaining.

Historically, HHSC was established following an extensive study by a task force created by the legislature in 1994 to examine the operations of the community hospital division of the Department of Health. See 1994 Hawaii Session Laws Act 266, p. 827. Based on a report by the governor's task force which recommended the creation of "an independent agency of the State" the legislature in 1996 created

HHSC “to provide better health care for all the people of the State . . . by freeing the facilities from unwarranted bureaucratic oversight.” See 1996 Hawaii Session Laws Act 262, p. 595. It was expressly understood that the new corporate entity would serve as an agency of the State which maintained a corporate-wide hospital personnel system that is subject to chapters 76, 77, and 89 (See 1996 Hawaii Session Laws Act 262, § 2 (“Sec. - 7 (9)”), at 599, and that no employee of the State having tenure with the State would suffer any loss of “seniority, prior service credit, vacation, sick leave, or other employee benefits or privileges as a consequence” of the enactment. 1996 Hawaii Session Laws, Act 262, § 20, at 612.

Long before HHSC was created in 1996 health care services in state and county hospitals were provided by civil servants employed by the community hospital division of the State of Hawaii. The employees were hired and retained in accordance with the merit principle through a statewide merit system. Under the merit principle employees were afforded reasonable job security and when layoffs occurred senior employees retained the right to bump junior employees not just within the health care facilities affected, but in any other governmental entities within the system. To ensure that this right continued with the creation of HHSC the legislature provided in 2006 Haw. Sess. L. Act 262, see § 2 (“Sec.-7”), at 599 that HHSC “develop a corporate wide hospital personnel system that is subject to chapters 76, 77, and 89.” This measure undermines the commitment made in 1996 to public employees.

While we recognize the complexity of the situation, we strongly believe that this measure is a move in the wrong direction. Turning our back on the most vulnerable in our communities – particularly those who live on the neighbor islands – by compromising this safety net is unacceptable.

We ask that the Committees hold this measure.

Thank you for the opportunity to testify.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Seventh Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association
February 22, 2013

H.B. 1483, H.D. 2 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484, H.D. 2 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of H.B. 1483, H.D. 2 and H.B. 1484, H.D. 2. Both bills seek to allowing the regional systems of the Hawaii Health Systems Corporation and their health facilities to transition to non-public status.

The Hawaii Health Systems Corporation operates a system of community hospitals primarily on the neighbor islands. That network provides a safety net of health care, with a Hawaii State Constitutional mandate to ensure access to health care for all citizens. In many instances, care is provided without payment, a cost that our state taxpayers bear to ensure care for all.

To preserve the safety net for the neighbor islands the system must remain intact. If one or more regions were to withdraw from the system, it will create instability through the whole system, both financially and in the types of and mix of services available to local communities. A fragmented health care system is a disservice to Hawaii's people and threatens the long-term viability of the entire health care delivery system. Further, the effort to divest our state's involvement in our health care, and put that responsibility on an Arizona-based provider is short-sighted and not in the best interest of our communities. It is unthinkable that our state will be better off with health care decisions for neighbor islanders being made out of state.

For these reasons, we strongly oppose H.B. 1483, H.D. 2 and H.B. 1484, H.D. 2. Thank you for the opportunity to express our opposition.

Respectfully submitted,

Randy Perreira
Executive Director



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Quality Health Care for All"

**House Committee on Finance
Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice-Chair
Representative Aaron Ling Johanson, Vice-Chair**

Friday, February 22, 2013
Conference Room 308
3:00 p.m.
Hawaii State Capitol

Testimony Supporting the Intent of House Bill 1484, Relating to the Hawaii Health Systems Corporation. Amends the governance structure of HHSC. Makes the regional chief executive officers nonvoting members. Establishes the HHSC personnel system and new collective bargaining units. Delineates the HHSC Board's and regional boards' powers. Effective July 1, 2050.

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

Hawaii Health Systems Corporation (HHSC) supports the intent of HB 1484, HD2, as originally drafted to restructure the Oahu and Kauai regions of HHSC by clarifying the roles of the HHSC board and regional boards and modifying the corporate board structure, in addition to giving HHSC separate bargaining units. This bill will be needed to refine the governance structure of the Kauai and Oahu Regions in the event of passage of HB 1483 or SB 1306, clarifying the power of the regions to enter into private partnerships.

Federal healthcare reform has changed the landscape of health care in the United States. It will require all health care systems to provide efficient, cost-effective, and high quality health services. Health care systems across the country, both large and small, are reevaluating the structure of their governing bodies to be sure they are working in concert with one another and performing at the highest level. They are making changes to assure that their workforce is functioning efficiently. Finally, they are making changes in operations to encourage "systemness"...working as a synergistic team. Status quo is not an option.

Representatives of the regional and system boards have met recently and everyone agreed that the status quo is not an option. Some of the changes in this bill have been endorsed by the task forces and board groups, such as, change of status of the regional CEOs to nonvoting status. However, it should be noted that the Kauai and Oahu Regional Boards have not have the opportunity to take a position on this bill.

Thank you for the opportunity to speak in support of the intent of this measure.

3675 KILAUEA AVENUE • HONOLULU, HAWAII 96816 • PHONE: (808) 733-4020 • FAX: (808) 733-4028

HILO • HONOKAA • KAU • KONA • KOHALA • WAIMEA • KAPAA • WAILUKU • KULA • LANAI • HONOLULU

February 21, 2013

HOUSE COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Committee Members

Testimony in **OPPOSITION** to
HB1484 HD2 – Relating to Hawaii Health Systems Corporation

Thank you for the opportunity to testify **in strong opposition to HB1484 HD2**. This bill amends the governance structure of Hawaii Health Systems Corporation (HHSC).

BACKGROUND

As a part of a legislative mandate in Act 162, Section 31 (2009), a study was commissioned by HHSC to prepare a report that shall include but not be limited to the following information:

- (1) A comprehensive facility-by-facility review of operations, detailing efficiencies, deficiencies, and any recommendations for corrective action;
- (2) Overall recommendations on improving effectiveness and efficiencies system-wide;
- (3) Determination of responsibilities of facility administration, regional boards, corporate office, and Hawai'i health systems corporation corporate board;
- (4) Determination of centralized services required by the facilities to be provided by the corporate office;
- (5) Performance benchmarks to be reported to the Legislature prior to the commencement of each regular session and upon request; and
- (6) Recommendations on transition plans deemed necessary;
- (7) Evaluation of effectiveness of the current legal structure and adherence to the state procurement code and salary structure;
- (8) Measures taken to address material control weaknesses and reporting issues cited in audits performed by the state auditor and HHSC's external auditor during fiscal year 2007-2008 and fiscal year 2008-2009;

A report, prepared by Stroudwater Associates, was submitted to Senate President Colleen Hanabusa on December 28, 2009 as detailed in DC56 (2010). I will be referencing this report extensively throughout my testimony.

Comments regarding creation of a new “Hawaii health systems corporation personnel system”:

In the current draft of the bill, Section 2 creates a new “Hawaii health systems corporation personnel system which establishes “a personnel system separate from the existing system for employees commencing employment on or after July 1, 2014.”

The Stroudwater Report rejected a strategy of the creation of a dual employee structure.

Excerpt from Page 8 of the 2009 Stroudwater Report

The study delineates five strategic scenarios that were considered and rejected, including the rationale for not pursuing these scenarios. Rejected scenarios include: 1) closure of the HHSC facilities and system; 2) re-integration with the Department of Health; 3) structuring HHSC's regions into county hospital district entities; 4) spinning the three PPS hospitals into private independent corporations while retaining the CAH facilities under State sponsorship; and 5) creating a dual employee structure that grandfathers current HHSC in the civil service structure and employs all new staff outside of it.

Excerpts from Page 33, 35 and 36 of the 2009 Stroudwater Report

Draft Final Report: 12:15:09

STROUDWATER ASSOCIATES

Options Considered and Rejected

Before introducing the reader to the options proposed for consideration by HHSC and government leaders, it is important to note that a variety of other options have been identified and rejected as part of the study process.

5. Pursue special purpose legislation that changes the employment structure of HHSC by "grandfathering" existing HHSC employees as civil service employees, and employs all new employees going forward using private employer standards negotiated with the unions.

This concept was introduced in the form of draft legislation in the prior legislative session. We have rejected this concept for several reasons. First, it creates what almost surely would be an unworkable operational bifurcation of employment models. Beyond the obvious administrative complexity and additional costs related to running two entirely different employment structures with different work rules, benefit structures, payment structures, etc. within HHSC, it holds an inherent likelihood of generating significant cultural friction within the organization. Giving employees different employment rules and benefits based upon date of employment has the potential to create both the perception and reality of unfairness. This is would lead to achieving a dissatisfied and demoralized work force.

Second, even given the political cost and administrative complexity of this idea, it only provides small levels of savings for the first few years. Calculations estimating the maximum savings impact of this approach over the first three years result in the following savings (see Appendix D for detailed work sheet):

Year 1: \$2.39M Year 2: \$9.30M Year 3: \$20.30M

In light of the administrative complexity, cultural issues, political risks, and long time period required to realize significant savings, we have rejected this option.

Comments regarding restructuring of the corporation and regional boards of directors and authority:

In the current draft of the bill, it proposes that the governance of HHSC return to more of a corporate-centric strategy.

Below are excerpts, beginning on page 65, from the Stroudwater Report that grades the Key Success Factors of a corporate-centric strategy:

HHSC Strategic Options

Each of the four strategic options detailed below assumes that the three essential changes detailed in the prior section (i.e. conversion, operating efficiencies, and efficiencies of scale) are committed to and are being actively pursued. Following the presentation and discussion of options, we have identified the option that we recommend based upon the analysis. We do this with a clear understanding that we are not policy makers for HHSC or for Hawai'i. That is the domain of the HHSC Board and the Legislature. We respect that responsibility of each of these bodies, and present the following material and conclusions as support for your deliberations and decisions. Ultimately, the decision and the responsibility to execute belong to the HHSC Board and management.

Option 3: Corporate-Centric HHSC Strategy

Key Success Factors	Grade	Discussion
1 High performance capacity governance and management structure	▲	This option re-establishes a contemporary governance system model for HHSC.
2 Access efficiencies of scale and expertise	▲	This option aligns the largely latent opportunities to achieve efficiencies of scale and expertise with the necessary authorities to achieve it.
3 Reduce dependence on subsidies	▼	This option will require ongoing financial support of HHSC by the State, but at a reduced level. Efficiencies of scale, staffing models, some clinical integration, and system improvements are factors reducing the subsidy level.
4 Identify scope/scale of market needs	▲	The preservation of regional boards will provide an ongoing local resource for monitoring community needs.
5 High quality clinical care/patient services	▶	While this option should help create common system-wide standards of clinical care, safety and service, it does not necessarily generate sufficient access to capital in the near and intermediate term to fund investments in people, technology and facilities required.

The Stroudwater Report recommends a HHSC System Corporate Partnership strategy

Below are excerpts from the Executive Summary of the report (pages 9 and 10):

“The fourth strategic option evaluated is an HHSC system corporate partnership strategy. This envisions that HHSC would engage in a formal process as a system to identify a capital/operating partner including both in-state and mainland options to help accelerate its transformation to a high performing contemporary delivery system. This option rests upon the conclusion that as a system HHSC by itself is insufficient in scale to move to the highest levels of performance, and that so many of its basic systems and infrastructure are in need of major updating that it will take the in-place resources of a more advanced system to help it catch up. This will result in a sharing of governance authority between HHSC and a chosen partner.

The study recommends the fourth option as the most effective one for meeting the needs of the people served by HHSC over the short and long terms. It further recommends that this option be pursued at high velocity in light of the financial status of both HHSC and the State. This targets re-structuring of HHSC governance and management, pursuit of operational efficiencies, conversion of HHSC to a 501(c)(3), and immediate pursuit of operational efficiencies identified. It further targets completion of a process for identifying the right partner with which to enter into a transaction. It recommends completing this entire process within the next 2-3 years. It identifies the need for continued State subsidy during the transition period, and ongoing support of the surviving entity based upon need beyond the transition. We recognize that these are aggressive time frames. We also recognize the intensity of financial pressures that motivate this proposed speed. “

Below are excerpts, beginning on page 65, from the Stroudwater Report that grades the Key Success Factors of the fourth strategic option:

Option 4: HHSC System Corporate Partnership Strategy

Key Success Factors	Grade	Discussion
1 High performance capacity governance and management structure	▲	This option will add governance strength to the HHSC governance structure.
2 Access efficiencies of scale and expertise	▲	Depending upon the partner chosen, the scale accessible to HHSC facilities should grow dramatically.
3 Reduce dependence on subsidies	▲	Any ongoing financial support with the new system will require documentation and negotiation.
4 Identify scope/scale of market needs	▲	Likely preservation of regional boards would provide an ongoing local resource for monitoring community needs.
5 High quality clinical care/patient services	▲	A single standard of improved clinical care and patient services would be an essential partner requirement.

Thank you for this opportunity to testify in strong opposition to this measure.

Respectfully submitted.

Patrick Saka
Chief Administrative Officer
Maui Region, Hawaii Health Systems Corporation
221 Mahalani Street, Wailuku, HI 96793
(808) 244-9056

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

IN OPPOSITION TO HB 1483 and HB 1484

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

- 1) Privatization will increase costs and reduce quality.
- 2) Privatization is associated with fraud.
- 3) Privatization will reduce wages and benefits for workers, increasing income inequality on the island.

I have been on the staff of Maui Memorial Hospital Center including taking night and weekend call for 17 years. As a physician, I dedicate myself to patient care. The state selling out to Banner is so sad for the people of Hawai'i. Privatization of health care in Hawai'i will result in poorer care for patients who have no choice as to where to go for health care. The idea that a mainland company will operate to maximize the quality of care to patients is absurd. The company exists to extract money from our hospitals in Hawai'i. That money can only come from patient care and employee salaries and benefits (raising income inequality). Banner does not exist to practice high quality health care. They will try to do without a lot of staff, eg raise the number of patients each nurse cares for, etc. Banner exists to provide high salaries for their executives, not to provide high quality health care to the people. The patients and their insurance companies are simply the source of money Banner seeks to extract from Hawai'i. For every dollar Banner invests in a hospital, they will expect a significant return on that investment that will eventually result in medical decisions being trumped by financial decisions. This is a net outflow of money from Hawai'i which does not provide any health care to our patients. It's a tax. Ah Quan McElrath is turning over in her grave.

Sincerely,

Leslie Hartley Gise MD
Staff psychiatrist
Maui Memorial Medical Center



February 21, 2013

**TO: The Honorable Sylvia Luke, Chair
 The Honorable Scott Y. Nishimoto, Vice Chair
 The Honorable Aaron Ling Johanson, Vice Chair**

Honorable Members of the Committee on Finance

Hearing Date: Friday, February 22, 2013

Time: 3:00 P.M.

**Place: Conference Room 308 -- State Capitol
415 South Beretania Street**

FROM: Wesley Lo, Chief Executive Officer, Maui Region

**SUBJECT: Testimony in Opposition to HB 1484, HD 2 Relating to Hawaii
 Health Systems Corporation**

Thank you for the opportunity to submit testimony in **STRONG OPPOSITON TO HB 1484, HD 2** which amends the governance structure of Hawaii Health Systems Corporation (HHSC), makes the regional chief executive officer's nonvoting members, establishes the HHSC personnel system and new collective bargaining units and delineates the HHSC Board's and regional boards' powers.

I oppose this bill for the following reasons:

- The original intent of regionalization was to bring governance closer to the bedside.
- Regional control has allowed great advances to be made in the Maui Region.
- HHSC is an Oahu-centric organization that cannot anticipate and react quickly to the needs of the neighbor-island and regional communities.

Thank you for allowing me to submit testimony in opposition to this measure.

February 21, 2013

**TO: The Honorable Sylvia Luke, Chair
 The Honorable Scott Y. Nishimoto, Vice Chair
 The Honorable Aaron Ling Johanson, Vice Chair**

Honorable Members of the Committee on Finance

Hearing Date: Friday, February 22, 2013

Time: 3:00 P.M.

**Place: Conference Room 308 -- State Capitol
415 South Beretania Street**

**FROM: Leslie B. Chun, MD, Chief of Clinical and Medical Affairs
 Maui Memorial Medical Center**

**SUBJECT: Testimony in Opposition to HB 1484, HD 2 Relating to Hawaii
 Health Systems Corporation**

Thank you for the opportunity to submit testimony in **STRONG OPPOSITON TO HB 1484, HD 2** which amends the governance structure of Hawaii Health Systems Corporation (HHSC), makes the regional chief executive officer's nonvoting members, establishes the HHSC personnel system and new collective bargaining units and delineates the HHSC Board's and regional boards' powers.

As a physician, resident of Maui, and member of the Maui Memorial Management Team, I oppose this bill for the following reasons:

- The original intent of regionalization was to bring governance closer to the bedside.
- Because of this regionalization, great advances and improvements have been made to our rural healthcare system in the Maui Region.
- HHSC is an Oahu-centric organization that cannot anticipate and react quickly to the needs of the Neighbor Island and regional communities.

Thank you for allowing me to submit testimony.

Respectfully submitted,

Leslie B. Chun M.D.
Chief of Clinical and Medical Affairs
Maui Memorial Medical Center

808-442-5017

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Date: 2/21/13 Time: 9:20

To: 1800 535 3759
Fax #: _____

From: Tom Vendetti
Phone: 242-2575
Fax #: 242-2574

Regards:

Testimony - HB 1483 + HB 1484

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

February 21, 2013

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

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

IN SYPPORT OF HB 1483 and HB 1484

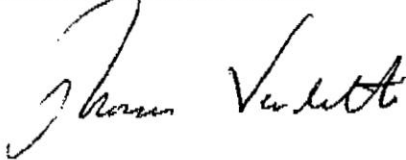
Chair Belatti, Chair Nakashima, and members of the Committee on Health and
Committee on Labor & Public Employment:

I am an employee at Maui Memorial Medical Center and recommend privatizing Maui
Memorial Medical Center. If you were to monitor the hospital you would find much abuse
in terms of overtime abuse, sick time abuse and unrealistic staff-patient ratios that are
costing the tax payers of Hawaii millions of unsustainable dollars.

Banner is a non-profit organization that could clean up this financial disaster, relieving
the State of Hawaii and its citizens of the burden of paying for a broken system of care
that is truly approaching a fiscal crisis.

The bottom-line is the State of Hawaii's tax payers should not have to enable a broken
system of care because employees are afraid of loosing their benefits. It is my
understanding that Banner has a fair employee compensation package.

Sincerely,
Thomas Vendetti
Employee
Maui Memorial Medical Center



February 20, 2013

**TO: The Honorable Sylvia Luke, Chair
 The Honorable Scott Y. Nishimoto, Vice Chair
 The Honorable Aaron Ling Johanson, Vice Chair**

Honorable Members of the Committee on Finance

Hearing Date: Friday, February 22, 2013

Time: 3:00 P.M.

**Place: Conference Room 308 -- State Capitol
415 South Beretania Street**

FROM:

**SUBJECT: Testimony in Opposition to HB 1484, HD 2 Relating to Hawaii
Health Systems Corporation**

Thank you for the opportunity to submit testimony in **STRONG OPPOSITON TO HB 1484, HD 2** which amends the governance structure of Hawaii Health Systems Corporation (HHSC), makes the regional chief executive officer's nonvoting members, establishes the HHSC personnel system and new collective bargaining units and delineates the HHSC Board's and regional boards' powers.

I oppose this bill for the following reasons:

- The original intent of regionalization was to bring governance closer to the bedside.
- Because of this regionalization, great advances and improvements have been made to our rural healthcare system in the Maui Region.
- HHSC is an Oahu-centric organization that cannot anticipate and react quickly to the needs of the neighbor island and regional communities.

Thank you for allowing me to submit testimony.

Respectfully submitted.

Donna McCleary,MD

February 21, 2013

**TO: The Honorable Sylvia Luke, Chair
 The Honorable Scott Y. Nishimoto, Vice Chair
 The Honorable Aaron Ling Johanson, Vice Chair**

Honorable Members of the Committee on Finance

Hearing Date: Friday, February 22, 2013

Time: 3:00 P.M.

**Place: Conference Room 308 -- State Capitol
415 South Beretania Street**

FROM:

**SUBJECT: Testimony in Opposition to HB 1484, HD 2 Relating to Hawaii
Health Systems Corporation**

Thank you for the opportunity to submit testimony in **STRONG OPPOSITON TO HB 1484, HD 2** which amends the governance structure of Hawaii Health Systems Corporation (HHSC), makes the regional chief executive officer's nonvoting members, establishes the HHSC personnel system and new collective bargaining units and delineates the HHSC Board's and regional boards' powers.

I oppose this bill for the following reasons:

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- HHSC is an Oahu-centric organization that cannot anticipate and react quickly to the needs of the neighbor island and regional communities.

Thank you for allowing me to submit testimony.

Respectfully submitted.

BJ Ott
230 W Waiko Road
Wailuku, HI 96793

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

February 21, 2013

H.B. 1483 HD2 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484 HD2 – 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 opposition of the language in H.B. 1483 HD2 and H.B. 1484 HD2**, 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 Marian Hashiro, and I am a Maui resident of nearly six years. I am a concerned citizen questioning our elected officials' views on privatizing our hospital. Banner Health is a national nonprofit hospital system that only wants private employees. If they take over, they will most likely terminate all employees at the Maui Memorial Medical Center, and re-hire only those who pass pre-employment requirements. Banner Health does not believe in unions, and my friends will lose their civil servant service status and their benefits will be lost.

With regards to its impact in the community, if Banner Health deems services unfeasible to maintain or lack clinical quality, they will cut those vital services and possibly close facilities that our community depends on. For example, Banner Health has minimal experience with services such as long-term care that are currently provided to our community. Life expectancy is going up and more and more of our elderly will need care. Many of them fall into the low to middle income range. My mother just turned 75 and lives on her social security income. It is my hope that she will not require long-term care. However, situations occur that is not within our control and there may come a time where long-term care will be necessary. What then? What effective solution(s) do you have?

Additionally, with Banner Health, Hawaii taxpayers' dollars will be supporting and funding a **mainland** company to provide Hawaii health services. It deeply troubles me that the Legislature is considering this partnership. Perhaps we will need to rethink who we vote for, as those elected are not listening/hearing us and do not have the community's best interest at heart.

I strongly oppose the passage of H.B. 1483 and H.B. 1484. Thank you for the opportunity to provide testimony.

Respectfully submitted,



Marian Hashiro

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

February 21, 2013

**H.B. 1483 HD2 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION**

**H.B. 1484 HD2 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION**

IN OPPOSITION TO HB 1483 HD2 and HB 1484 HD2

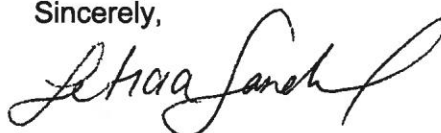
Chair Belatti, Chair Nakashima, and members of the Committee on Health and
Committee on Labor & Public Employment:

Thank you for the opportunity to provide testimony in **strong opposition of the language in H.B. 1483 HD2 and H.B. 1484 HD**, which permits the regional systems of the Hawaii health systems corporation and their health facilities to transition to non-public status.

My name is Leticia Sandoval, and I am a Maui resident for 30 years. I strongly oppose the above bills which will permit the regional systems of the Hawaii health systems corporation and their health facilities to transition to non-public status. With regards to its impact in the community, if Banner Health deems services unfeasible to maintain or lack clinical quality, they will cut those vital services and possibly close facilities that our community depends on. For example, Banner Health has minimal experience with services such as long-term care that are currently provided to our community. Additionally, with Banner Health, Hawaii taxpayers' dollars will be supporting and funding a mainland company to provide Hawaii health services. It deeply troubles me that the Legislature is considering this partnership.

I strongly oppose the passage of S.B. 1306. Thank you for the opportunity to provide testimony.

Sincerely,



Leticia Sandoval

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 20, 2013 10:18 PM
To: FINTestimony
Cc: Karenparadise@excite.com
Subject: Submitted testimony for HB1484 on Feb 22, 2013 15:00PM

HB1484

Submitted on: 2/20/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Karen Williams	Individual	Oppose	No

Comments: Thank you for the opportunity to submit testimony in STRONG OPPOSITON TO HB 1484, HD 2 which amends the governance structure of Hawaii Health Systems Corporation (HHSC), makes the regional chief executive officer's nonvoting members, establishes the HHSC personnel system and new collective bargaining units and delineates the HHSC Board's and regional boards' powers. I oppose this bill for the following reasons: • The original intent of regionalization was to bring governance closer to the bedside. • Because of this regionalization, great advances and improvements have been made to our rural healthcare system in the Maui Region. • HHSC is an Oahu-centric organization that cannot anticipate and react quickly to the needs of the neighbor island and regional communities. Thank you for allowing me to submit testimony. Karen Williams
Respectfully submitted.

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Ruth Paulson

Privatization or “outsourcing” is not the solution for HHSC. When I look down the road and image Maui Memorial under the powers of a private mainland “Walmart” of healthcare I get weary and very concerned for our community. When you look down the road and imagine our States acute care facilities under the control by this mainland mega power what do you honestly imagine? Will our health care access be compromised? Will our hospitals be staffed with a skeleton crew to save money for Banner Healthcare to filter to its mainland facilities? Will we have any say so? Will our friends and relatives still have jobs? Will they be replaced and or outsourced by our mainland Banner Health Care Travelers? Why is it that some believe Banner Healthcare is the solution to our problems? In the past several years we have gone into deficit, why? How? Have we examined how we created our financial situation? Or instead have we put our time and energies not into solving our problems but searching for some entity we believe to be greater than ourselves to save us? How realistic is the outcome once we are “saved”? I believe simply we will be trading our problems for a new set of problems that may be much greater and more complex than the problems we have today. This whole Banner healthcare metaphorical romance that has been put upon us is just that. The metaphor is - just as the “unhappy” lover looking for a new conquest. Grass is always greener on the other side of the hill, until you get there. If we “get there”, creating much wreckage as we enter into marriage with Banner Health Care, we will not be able to get divorced, there will be no turning back. Our new spouse will be a great mainland power with sole command. Is that really what we want for HHSC acute care facilities? Is this the answer? Please be responsibly prudent, and consider the great consequences of your actions when voting on this matter. Please do not support and put a “ thumbs down” to outsourcing to Banner HealthCare.

Gina Flammer
P.O. Box 2418
Wailuku, Hawaii 96790

February 20, 2013

TO: Sylvia Luke, Chair
Scott Y. Nishimoto, Vice Chair
Aaron Ling Johanson, Vice Chair, and
Members of the Committee on Finance

Hearing Date: Friday, February 22, 2013
Time: 3:00 P.M.
Place: Conference Room 308 -- State Capitol

SUBJECT: Testimony in Opposition to HB 1484, HD 2 Relating to Hawaii Health Systems Corporation

Thank you for the opportunity to submit testimony in **STRONG OPPOSITON TO HB 1484, HD 2** which amends the governance structure of Hawaii Health Systems Corporation (HHSC), makes the regional chief executive officer's nonvoting members, establishes the HHSC personnel system and new collective bargaining units and delineates the HHSC Board's and regional boards' powers.

I oppose this bill for the following reasons:

- The original intent of regionalization was to bring governance closer to the bedside. This has proved to improve the quality of care.
- Because of this regionalization, great advances and improvements have been made to our acute and long term care healthcare system on Maui.
- HHSC is an Oahu-centric organization that cannot anticipate and react quickly to the needs of the neighbor island and regional communities.

Thank you for allowing me to submit testimony.

Respectfully submitted.
Gina Flammer

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 2:04 PM
To: FINTestimony
Cc: tehanib@aol.com
Subject: *Submitted testimony for HB1484 on Feb 22, 2013 15:00PM*

HB1484

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Tehani Nunez	Individual	Oppose	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 2:05 PM
To: FINTestimony
Cc: jrtunez@aol.com
Subject: *Submitted testimony for HB1484 on Feb 22, 2013 15:00PM*

HB1484

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Martin Nunez	Individual	Oppose	No

Comments:

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 2:06 PM
To: FINTestimony
Cc: k9zimm@gmail.com
Subject: *Submitted testimony for HB1484 on Feb 22, 2013 15:00PM*

HB1484

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Andy Feliciano	Individual	Oppose	No

Comments:

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 2:07 PM
To: FINTestimony
Cc: snugs171@hawaiiantel.net
Subject: *Submitted testimony for HB1484 on Feb 22, 2013 15:00PM*

HB1484

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Arlene Jacintho	Individual	Oppose	No

Comments:

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 2:07 PM
To: FINTestimony
Cc: gneemk@gmail.com
Subject: *Submitted testimony for HB1484 on Feb 22, 2013 15:00PM*

HB1484

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jeannie Moniz-Kekumu	Individual	Oppose	No

Comments:

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Finance Committee Chair & Members,

Submitting this testimony in opposition of HB 1483 HD2 & HB 1484 HD 2.

I am a 58 year old life-long resident of Maui County & am strongly opposed to the privatization of Maui Memorial Hospital of any other of our public hospitals/clinics. It is truly unfair to subject our local citizens to a mainland run health care system. I'm sure you all know as well as I do what happens when a private service takes over a public one. A private organization is always a "for profit" organization. Therefore, the price of services will start to increase and eventually reach an astronomical amount and any service that does not make a profit will be done away with. What will we be subjected to once this happens!

Please vote "NO" on these bills & leave our health care facilities alone! Thanking you in advance for your support.

A voting citizen,
Cindy Phillips
Haiku, HI 96708

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 11:32 AM
To: FINTestimony
Cc: mcclearyr001@hawaii.rr.com
Subject: *Submitted testimony for HB1484 on Feb 22, 2013 15:00PM*

HB1484

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
robert mccleary	Individual	Oppose	No

Comments:

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 6:37 AM
To: FINTestimony
Cc: hokoanaj001@hawaii.rr.com
Subject: *Submitted testimony for HB1484 on Feb 22, 2013 15:00PM*

HB1484

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Karin Hokoana	Individual	Oppose	No

Comments:

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