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The Twenty-Seventh Legislature, State of Hawaii
The Senate
Committee on Ways and Means

Testimony by
Hawaii State AFL-CIO
February 26, 2013

S.B. 1306, SD1 - RELATING TO THE
HAWAII HEALTH SYSTEMS CORPORATION

The Hawaii State AFL-CIO strongly opposes S.B. 1306, SD1 which permits the regional systems of the Hawaii health systems corporation and their health facilities to transition to non-public status.

The Hawaii State AFL-CIO is deeply concerned the legislature is considering the thought of privatizing the regional systems of the Hawaii Health Systems Corporation (HHSC). Corporations are in business for one reason and one reason only - to make money and more money each and every year. Profits are put above everything else. This means profits above employees, profits above customers, and profits above the community. Current employees would be put into jeopardy and services the community relies on may vanish. This is all very unfortunate and a very serious reality should this bill pass.

Banner Health, a mainland health system will put their interests first above the people of Hawaii. As a result, the Hawaii State AFL-CIO respectfully requests S.B. 1306, SD1 to be deferred.

Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira
President

The Senate
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
Committee on Ways and Means

February 25, 2013

S.B. 1306, S.D. 1 – RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

Chair Ige and members of the Committee on Ways and Means:

Thank you for the opportunity to provide testimony in **strong opposition of the language in S.B. 1306, S.D. 1**, which permits the regional systems of the Hawaii Health Systems Corporation and their health facilities to transition to non-public status.

My name is Arnold Abe, and I work as a Civil Engineer for the County of Maui for 19 years now. As a former Coast Guard officer and a current county government employee, I have dedicated my career to public service. Banner Health is a national nonprofit hospital system that only wants private employees. If they take over, they will most likely terminate all employees who live and work here at the Maui Memorial Medical Center, and re-hire only those who pass pre-employment requirements. Banner Health does not believe in unions, and the civil servant service status and benefits of my fellow government workers will be lost, as they will no longer be state employees. My mother worked hard for the hospital here on Maui for over 30 years and is currently retired. I see how the benefits she received as a state employee has helped our family while we were growing up, and how it continues to help my parents in their retirement years – I am truly grateful. I would like to see this maintained for our local families.

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, S.D. 1. Thank you for the opportunity to provide testimony.

Respectfully submitted,



Arnold D. Abe

DATE: 02/12/13

TO: Honorable Senator David Ige
Honorable Senator Michelle Kidani
And Committee Members of the Ways and Means Committee

**RE: SB 1306 - RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION -
HHSC Transition to Non-Public Status**

It is with much consternation and hesitation that I am writing to **OPPOSE WITH RESERVATIONS, Senate Bill 1306.** I commend the House for their amendments to HB 1483, 1484 in taking time to evaluate the push to open doors for privatization (including partnerships), and to understand its full healthcare implications and repercussions to the employees, physicians, community and to the State of Hawaii. There is a more 'global' concern than the loss of State healthcare facilities.

The current discussion primarily surrounds Banner Health, whom is 'courting' the Maui Region and the Hawaii Region primarily for their acute care, safety net hospitals. What is interesting is that the verbiage in these bills opens door to all 'safety net' healthcare facilities in the State of Hawaii. This means in some future time, our long term care beds in the State could also be privatized. I suspect if there were more watchful eyes in the community, there would be more of a roar in the community and from those facilities.

These are my concerns:

- Banner Health operates with as a centralized model, much like Kaiser. This means that most non-clinical functions will likely be operated from their main campus in Arizona, markedly downsizing hospital departments such as Accounting, Payroll, Patient Financial Services, Human Resources, Information Technology, Contract Management, etc. If this is the model Banner maintains, then unemployment is likely in the future for some employees. Is unemployment the burden the State willing to face and absorb?
- If senior employees are displaced, they will likely displace others in the State system. There is only one acute care facility on Maui. This means, employees may need to relocate their families elsewhere in the State or to the mainland.
- One of the few facts that have been disclosed to the hospital employees is that all employees will be required to re-apply for their job with Banner Health. If this is a given, to allay some of the fears it should be made known the exact pre-employment process and qualifying factors. Information is brushed over and vague when presented.
- The majority of community physicians have not been actively or majorly engaged.
- In the original HB 1483, 1484 and SB 1306, there is language that supports continuing State funding to support a private entity, whether Banner or other. I am unclear why the State would use taxpayer dollars single out to support a private entity. Is the same

offered to our local hospitals such as Queen's Medical Center, Hawaii Pacific Health (Kuakini, Struab, Pali Momi, etc.) that are private, non profit hospitals?

- In approximately 1994, the State in its efforts to decrease costs and decrease its workforce, offered its senior employees an early retirement package. Although in concept it appeared to be a quick solution to cost savings, it created a "brain drain", and cost the State more money in the long term. This is not a parallel analogy however; it begs the question of this legislation's long term ramifications.
- Healthcare is an ever-changing entity. Some of the changes such as shrinking reimbursements, escalating costs, patient volume decreases, etc is not new or unexpected. This has been foreseen and foretold for a number of years as well documented in many healthcare journals and publications. Prudent healthcare organizations were making fiscal adjustments and re-evaluating operations to accommodate for the uncertainty. What attempts at efficiencies has been made by the Regions or HHSC prior to pursuing this option? Is privatizing the 'easy way out'?
- The Stroudwater Report is being quoted as the impetus for the change and legislation. This report was completed in 2009. It outlined 4 options and suggested that changes occur in the 2-3 years following the report. What were the other options? Has the contents of the report been re-examined to assess its current relevance?
- Will our tax dollars now be ported to a mainland organization? Has there been an effort to explore or engage our local hospitals such as Queen's or Hawaii Pacific Health?
- Many of the supporters of these bills are the administrators and their board members, citing fiscal reasons. The majority of the opposition appears to be employees. Employees are concerned about the community care (safety net), and their livelihood (family, jobs). If this was to be a great thing for the community, then why the strong disparity in viewpoints?
- Privatization regardless of type of business does not always guarantee quality or services. It should be with careful consideration that this door be opened and given away.
- Why would Banner hire a lobbyist unless they have a personal stake for them in the legislation? Is there more to this than being communicated?
- It is bewildering how Maui Region was in opposition of Malulani Hospital for the 'probable' reduction in healthcare services to the community to MMMC yet, it is acceptable for "Banner" to consider a takeover with the suspect of reduction in services for the bottom line?

Information has been vague and conflicting, rendering distrust. It is with hesitation and fear that many do not truly speak or voice their concerns.

If the legislature completes their due diligence it will be another viewpoint. Perhaps then the stakeholders will be in better position to accept this change. If all has been thoroughly investigated, all stakeholders engaged, and still the conclusion remains that privatization,

partnerships, etc, is the best course of action for the community and the State, I would be more willing to support this legislation.

Mahalo for your time and consideration, and for this opportunity to submit testimony.

Sincerely,

Gail Miyahira
P.O. Box 5052
Kahului, Hawaii - 96732

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: smook808@hotmail.com
Subject: *Submitted testimony for SB1306 on Feb 26, 2013 10:05AM*
Date: Friday, February 22, 2013 8:29:19 PM

SB1306

Submitted on: 2/22/2013

Testimony for WAM on Feb 26, 2013 10:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Jacob Smookler	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: lorraine7@yahoo.com
Subject: Submitted testimony for SB1306 on Feb 26, 2013 10:05AM
Date: Saturday, February 23, 2013 4:55:30 PM

SB1306

Submitted on: 2/23/2013

Testimony for WAM on Feb 26, 2013 10:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Lorraine Krause	Individual	Oppose	No

Comments: I Lorraine Krause work at Maui Memorial in the Heart Brain and Vascular lab. I oppose this bill because I have been working at Maui Memorial for 7 years. All this time I was told that we were paid less because of all the great benefits. I will not make the 10 years needed to receive these benefits. I have been paid less while paying more for health insurance in a government position that I regarded as a secure job. How would you feel if you didn't receive your benefits?? Please take care of your fellow government employees. Sincerely, Lorraine Krause

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Senate Ways and Means Committee
Hearing on Senate Bill 1306
February 26, 2013, 10:05AM

Testimony regarding S.B. 1306- Relating to the Hawaii Health Systems Corporation

To members of the Senate Ways and Means Committee,

My name is Trishia Hancock-Vonderahe, thank you for the opportunity to provide testimony in strong opposition to S.B. 1306. I have worked as a Registered Nurse for Kona Community Hospital for 11 years now. I'm extremely concerned, as well as many of my coworkers, as to the consequences of Banner Health a nonprofit private company taking over. The following concerns and questions I have are as follows:

- Why should the people of Hawaii have to pay an out of state company to run a local community hospital. I'm opposed to the idea of allowing the taxpayers of Hawaii to subsidize operations for a private out of state entity.
- What would happen to all of the hospital employees that will be terminated? This will significantly impact the community. There are not very much employment options out there. This would mean a significant amount of people would be without jobs and may have to move back to the mainland to find work. What pre employment requirements will Banner Health have: Will they be looking to hire out of state workers for cheaper labor? What will happen to our retirement benefits? I have been with the state for 11 years now. What about our state pension? Will it be frozen? How will this be handled?
- Currently the community hospitals of HHSC provide a safety net to ensure healthcare for all of its citizens. Bringing in a private company will jeopardize this which is not in the best interest of our communities.
- What would happen to our long term care and mental health population? We already have difficulty placing the elderly in long term care facilities. I have worked as the charge nurse of the medical/surgical unit and everyday we are faced with challenges of placing the elderly in long term care facilities. Many of these patients are stuck on acute care floors for lengthy periods of time because we can't find placement for them. Our behavioral health unit is often at max capacity and we are now seeing more and more mental health patients on the acute care floors. Our resources in the community for mental health patients are limited due to cutbacks that have already taken place. I'm seeing more and more of these patients sent back out into the communities without the necessary follow up care that they need.
- What about our homeless population? We have a number of patients that we see on a daily basis that are homeless. Will Banner health be turning away these patients? Where will they go?

- What about our Marshallese/Micronesian population who have significant healthcare challenges? Many lack insurance or have Medicaid/Quest. Will Banner Health be able to meet their cultural and healthcare challenges.
- Will Banner Health be cognizant of the many diverse cultures that our general population consists of? Will they be able to consider this diversity when addressing the healthcare needs of our communities?
- Arizona is a right to work state. Hawaii is a union state. The rights of the employees have always been held to high standards. If this non union based private organization takes over, we could jeopardize the rights of the employees of Hawaii.
- Kona Community Hospital is just getting back on its feet financially through cut backs and sacrifices to include pay cuts as well as step movement freezes. Every employee at the hospital has made sacrifices to ensure quality health care is provided to the community of Kona. Now is not the time to jeopardize everything we have worked so hard for.

I strongly ask you to oppose this bill for not only the employees of Kona Community Hospital and other HHSC facilities but most importantly for the communities of Hawaii that this bill will impact. Thank you for your consideration in this matter.

Respectfully submitted,
Trishia Hancock-Vonderahe

02/11/2013