



KAHUKU MEDICAL CENTER

Written Testimony Presented Before the
House Committee on Health

by

Stephany Vaioleti, Administrator, Kahuku Medical Center

SB 1336 SD2 Relating to Health Care

Chair Au Belatti, Vice Chair Morikawa and members of the House Committee on Health, thank you for this opportunity to testify in strong support of this bill, SB 1336. This bill is to maintain Kahuku Medical Center's (KMC) Critical Access Hospital (CAH) designation as KMC needs either to be in a rural area or be designated a "rural hospital".

The federal government recently determined that Oahu does not contain any "rural areas" for purposes of critical access designation. Fortunately, the State Legislature can designate a hospital as being a rural hospital. Without this critical access hospital designation, KMC's deficits will increase.

KMC plays a vital role in addressing the healthcare needs of the Koolauloa and North Shore communities.

Thank you for the opportunity to testify.

Sincerely,

Stephany Vaioleti, FACHE, NHA

Administrator



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

HOUSE COMMITTEE ON HEALTH
Representative Bella Au Belatti, Chair
Representative Dee Morikawa, Vice Chair

Wednesday, March 13, 2013
8:30 a.m.
Conference Room 329
Hawaii State Capitol

Testimony supporting SB 1336, SD2, RELATING TO HEALTH CARE.
Designates the Kahuku medical center as a rural hospital.

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

Hawaii Health Systems Corporation (HHSC) strongly supports SB 1336, SD2, which will assist Kahuku Medical Center (Kahuku) in retaining its federal critical access hospital status. The federal government recently determined that Oahu does not contain any "rural areas" for purposes of critical access designation. However, the State Legislature can designate a hospital as being a rural hospital. It is our understanding that this measure is needed in order to allow Kahuku to obtain rural hospital status, which will result in Kahuku being able to retain its critical access hospital status, and thereby continue to receive better reimbursement rates in federal medical programs, such as Medicare. Kahuku, like all of the small rural hospitals, struggles financially. The legislature has subsidized Kahuku for the past several years by appropriating \$1.5 M in general fund support. Without the critical access hospital designation, Kahuku's deficits will increase.

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

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