



SB1339 SD1
RELATING TO RURAL AREAS
House Committee on Finance

April 1, 2013

2:00 p.m.

Room 308

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SB1339 SD1, which will ensure the continued availability of federal funds to support programs in rural areas on O‘ahu, where many of OHA’s beneficiaries reside.

Hawai‘i’s rural areas are host to many cultural kīpuka, where rural community lifestyles keep alive the values and practices that form the foundation of Hawaiian culture. However, it appears that rural communities on the island of O‘ahu are now threatened with losing their recognition as “rural” under many federal laws due to the high population density of O‘ahu’s urban areas. This may put O‘ahu island’s culturally significant rural communities at a substantial disadvantage in acquiring and maintaining important, federally-funded social services, including medical services, that may not otherwise be available in such isolated regions.

By providing for a state definition of “rural area,” which recognizes the true rural nature of large portions of O‘ahu island, this bill will assist with efforts that ensure O‘ahu’s rural communities can continue to receive federal funds for services critical to their continued existence and prosperity.

Therefore, OHA urges the Committee to **PASS** SB1339 SD1. Mahalo for the opportunity to testify on this measure.

HOUSE COMMITTEE ON FINANCE
Rep. Sylvia Luke, Chair

April 1, 2013 at 2:00 p.m.
Conference Room 308

Supporting SB 1339 SD 1: Relating to Rural Areas.

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, a majority of home health agencies and hospices, as well as long term care facilities and other health care organizations. Our members contribute significantly to Hawaii's economy by employing nearly 20,000 people statewide, delivering quality care to the people of Hawaii.

Thank you for this opportunity to testify in support of SB 1339 SD 1, which establishes a definition of "rural" for the purpose of qualifying for federal programs to ensure that Kahuku Medical Center continues to qualify as a critical access hospital (CAH).

The primary benefit of the CAH program is to exempt designated facilities from the prospective payment system (PPS) because those payments are below the actual costs of care. Instead, CAH facilities receive cost-based reimbursements from Medicare and Medicaid. This enables small rural hospitals to:

- (1) Maintain primary and emergency health care services;
- (2) Offer a range of health care services that meet the needs of the community citizens; and
- (3) Remain financially viable.

CAH designation is especially critical to Kahuku Medical Center because six years ago it was planning to close due financial problems. However, it affiliated with the Hawaii Health Systems Corporation and its public hospitals. Although closure was averted, Kahuku Medical Center continues to face fiscal challenges. Furthermore, the CAH designation of Kahuku Medical Center has been recently threatened. This bill is designed to ensure that Kahuku Medical Center maintains its designation as a CAH so that it can continue to operate. This will enable the residents of Oahu's isolated North Shore community to have continued timely access to hospital care.

Thank you for the opportunity to testify in support of SB 1339 SD 1.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 30, 2013 9:07 AM
To: FINTestimony
Cc: tabraham08@gmail.com
Subject: Submitted testimony for SB1339 on Apr 1, 2013 14:00PM

SB1339

Submitted on: 3/30/2013

Testimony for FIN on Apr 1, 2013 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments: I support passage of this bill to create a federal funding to help fix and upgrade rural area and communities

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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