



**KAUAI REGION**  
**WEST KAUAI MEDICAL CENTER**  
(DBA KAUAI VETERANS MEMORIAL HOSPITAL AND WAIMEA & PORT ALLEN CLINICS)  
**MAHELONA MEDICAL CENTER**  
(DBA SAMUEL MAHELONA MEMORIAL HOSPITAL)  
**WEST KAUAI CLINIC – KALAHEO**

*HAWAII HEALTH SYSTEMS CORPORATION*

*Scott E. McFarland*  
*Interim Regional CEO*

Tuesday, March 18, 2014

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

Wednesday, March 19, 2014  
Conference Room 329  
8:30 a.m.  
Hawaii State Capitol  
415 South Beretania Street

**Testimony STRONGLY SUPPORTING House Concurrent Resolution 203 and House Resolution 160, REQUESTING THE HAWAII HEALTH SYSTEMS CORPORATION AND ITS REGIONAL BOARDS TO SUBMIT PLANS AND RECOMMENDATIONS FOR REDUCING ITS OPERATING DEFICITS.**

Scott E. McFarland  
Interim Regional CEO – Hawaii Health Systems Corporation, Kauai Region  
West Kauai Medical Center/Kauai Veterans Memorial Hospital  
West Kauai Clinics – Waimea, Port Allen, Kalaheo  
Mahelona Medical Center/Samuel Mahelona Memorial Hospital

On behalf of the Hawaii Health Systems Corporation (HHSC) Kauai Region Board of Directors, thank you for the opportunity to present testimony in **STRONG SUPPORT** of **House Concurrent Resolution 203 and House Resolution 160, REQUESTING THE HAWAII HEALTH SYSTEMS CORPORATION AND ITS REGIONAL BOARDS TO SUBMIT PLANS AND RECOMMENDATIONS FOR REDUCING ITS OPERATING DEFICITS.**

The HHSC Kauai Region Board will be pleased to submit to the Hawaii Legislature, not later than twenty (20) days prior to the convening of the Regular Sessions of 2015 and 2016, long-term, multi-biennium plans to reduce the Kauai Region's operating deficits; and that these long-term plans include options that the Hawaii Legislature may consider for effecting large-, medium-, and small-scale deficit reductions, along with the Kauai Region's recommendations for changes in expenditures, revenues, services, access, and other relevant aspects of its Regional operations.

**What are the immediate, near-term fiscal challenges facing HHSC Kauai Region?**

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**Historically Low In-Patient Hospital Admissions for KVMH and SMMH and Low Long Term Care Census for SMMH. Our Region's two (2) Critical Access Hospitals (CAH) and one (1) of its Licensed Long Term Care Facilities (SMMH)** have had persistently low patient and resident censuses since November 2013. The Region is approaching nearly 150 days of this low in-patient hospital census reality which likely means the trend is going to hold for the two (2) HHSC CAHs on the Island. When you “back out” the our Region's Long Term Care Residents (68 in total) from the census, our hospital-based physicians have only been seeing between 45 and 50 patients on a typical day, with nearly half of those patients being seen by the Emergency Department at SMMH which is in close proximity to our Island's densest and largest population base.

This is not necessarily bad news. If fewer people are in need of hospital services, it likely means the overall health of our communities is IMPROVING and is being BETTER managed by Primary Care Providers.

The great news is that our Region's **Primary Care Clinics** are consistently seeing over **150 patients per day** and over **200 patients on busier days** when colds and flus are prevalent in our neighborhoods. In the months ahead, the Kauai Region is consolidating its Primary Care service locations to achieve operating and financial efficiencies as existing third party leases expire. Also on a positive note, both the Region's Emergency Departments (KVMH and SMMH) continue to perform well and be viewed as core medical services that our Kauai Westside and Eastside communities value, appreciate, and expect. The Region's Obstetrics and Gynecology team is strongly performing, and KVMH's Licensed Long Term Care Facility is at maximum resident capacity (20 beds) with a waiting list.

Conversely, SMMH's Licensed Long Term Care Facility (64 beds) has struggled to keep its resident census above 50 given the site's aging physical plant and its institutional, multi-resident (2 to 4 resident patients) room constraints.

The early trend on Kauai appears to be that the Island's Primary Care Physicians are keeping more patients out of the Island's two (2) CAHs with Population Health Management/Patient Centered Medical Homes and are being rewarded with the Quality Payments and Capitated Payments that accompany these patient management strategies. This is actually a really good thing...and an underlying purpose to the Affordable Care Act (Obama Care). Our Region's HHSC-employed Primary Care Physicians are having much early success with Population Health Management approaches.

Long story short...the Fee For Service “heads in hospital beds” model of the past is quickly going away...especially for Kauai's HHSC-owned and operated CAHs. There are encouraging early indications that Population Health Management, Accountable Care Organizations, and Patient-Centered Medical Homes are performing well on Kauai. The Region took this new “low census” reality and Population Health Management into consideration as it developed its new Living Strategic Plan as it promised it would during last November's testimony for the \$7.3 million Emergency Appropriation for which the Kauai Region is especially grateful. We can report today that the Kauai Region's new Living

Strategic Plan is complete and has been ratified and endorsed by the HHSC Kauai Region Board.

Thank you for the opportunity to testify before this committee. We would respectively recommend the Committee's **STRONG SUPPORT** of **House Concurrent Resolution 203 and House Resolution 160, REQUESTING THE HAWAII HEALTH SYSTEMS CORPORATION AND ITS REGIONAL BOARDS TO SUBMIT PLANS AND RECOMMENDATIONS FOR REDUCING ITS OPERATING DEFICITS.**



**HAWAII HEALTH SYSTEMS**

C O R P O R A T I O N

*Quality Healthcare For All*

**House Committee on Health  
Representative Della Au Belatti, Chair  
Representative Dee Morikawa, Vice Chair**

Wednesday, March 19, 2014

8:30 a.m.

Conference Room 329

Hawaii State Capitol

**House Concurrent Resolution 203, Relating to the Hawaii Health Systems Corporation and its Regional Boards to Submit Plans and Recommendations for Reducing its Operating Deficits.**

Alice M. Hall

Acting President and Chief Executive Officer

Hawaii Health Systems Corporation

The Hawaii Health Systems Corporation (HHSC) supports the resolution, with amendments. The HHSC Corporate Board of Directors recognizes and shares the concern of the legislature over the financial condition of HHSC and its hospitals. As pointed out in the resolution, all studies of HHSC to date have predicted a steady decline in financial performance unless major organizational changes occur. However, looking at purely operational improvements will not make a sufficient impact to significantly reduce the reliance on subsidies given HHSC's current structural limitations, in view of the declining reimbursements and increased labor costs. Therefore, it is recommended that the board come up with recommendations for structural change, in addition to operational improvements.

Attachment 1 lists the major efforts taken in recent years to reduce operating expenses and increase revenues. Additional efforts at Maui Memorial are addressed in Attachment 2. Had these efforts not been taken, the deficit would have been millions of dollars more.

Thank you for the opportunity to testify.

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[www.hhsc.org](http://www.hhsc.org) <<http://www.hhsc.org>>

## ATTACHMENT 1: HHSC COST SAVINGS AND REVENUE ENHANCEMENTS

HOSPITAL	OPPORTUNITY	ACTION	RESULTS
<b>Corporate Office and Kauai Region</b>	Reduce overhead costs by sharing administrative personnel	Examine areas where expertise can be shared instead of hiring full time FTEs for both offices.	Shared compliance officer, saves \$170k per year.
<b>Corporate Office and Oahu Region</b>	Reduce overhead costs by sharing administrative personnel.	Examine areas where expertise can be shared instead of hiring full time FTEs for both offices.	Shared CFO saves approx. \$220k per year.
<b>Hilo Medical Center</b>	Reduce administrative write-offs	Improve revenue cycle review process	Reduced administrative adjustments \$75,000 per year.
<b>Kauai and Oahu Regions</b>	Reduce overtime expense.		15% reduction in Kauai; 28% in Oahu
<b>Kauai Veterans Memorial Hospital</b>	Increase outpatient services	Hire physician manager/recruiter; remarket clinics.	Clinics have expanded, 33 physicians, about \$1M revenue per month.
<b>Kauai Veterans Memorial Hospital</b>	Improve physician recruitment efforts	Hire a full time physician recruiter and a full time physician practice manager	Specialty physician gaps were filled in anesthesia and orthopedics.
<b>Kona Community Hospital</b>	Request low volume adjustment in cost report (Medicare).	Applied for and approved for FY 2011-13. Program ended 9/30/13 due to sequestration.	\$1.1Million realized.
<b>Kona Community Hospital</b>	Review staffing and determine if staffing levels are appropriate.	Used a consultant to review the productivity and benchmarks. Identified opportunity to reduce staffing by 60 people.	Saved \$1MM in FY '14 by utilizing attrition to reduce staffing. Anticipate another \$400k next year.
<b>Maui Memorial Medical Center</b>	Recapture lost inpatient market share	Cardiovascular program implemented. Surgical areas will be worked on next.	Market share greatly increased from FY 10 to FY 13 (68%) in CV discharges.
<b>Maui Memorial Medical Center</b>	Reduce administrative adjustments	Revenue cycle improvement project initiated prior to the Stroudwater report, which transformed the whole revenue cycle.	Reduced administrative adjustments from 4% to 1%.
<b>Maui Memorial Medical Center</b>	Improve upfront self pay collections	Already implemented before Stroudwater study.	Increased point of service cash collections by \$80k per month.
<b>Maui Memorial Medical Center</b>	Increase "point of service" collection to improve self-pay collection	Implement "point of service" collection	Increased patient collections \$1,500,000 per year.
<b>System Wide</b>	Increase vendor rebates by better compliance on GPO contracts; improve contract prices.	Improve utilization of GPO contracts through greater education and monitoring; new contracts for office supplies, freight, exam gloves, and	Increase rebates by \$500,000 per year and increased group purchasing savings by

		drugs reduced costs.	\$795k per year.
<b>System Wide</b>	Implement coding software to improve coding.	Solicitation of proposals and contract entered into with EM for DRG coding software. Installed and working.	Gross A/R decreased significantly, which helped with cash flow.
<b>System Wide</b>	Increase money paid by the federal government for Medicaid losses.	Agree with private hospitals to stay out of the sustainability program and instead receive the full certified loss reimbursement from the federal government. In the past, the money was shared with the private hospitals, with most of it going to the private hospitals, even though it was based on HHSC losses.	\$17MM in FY 13; similar amounts anticipated for FY 14 and 15.
<b>System Wide</b>	Reduce use of agency clinical personnel		Decreased registry nurse usage by 12% system-wide (\$700K expense decrease)
<b>Hilo Medical Center</b>	Optimize Revenue Cycle Processes	Implemented Region-wide Electronic Medical Record (EMR) with an integrated Patient Accounting, Health Information Management and Coding, Patient Registration and Scanning/Archiving system.	Reduced A/R days to 58 days in FY13. Reduced outstanding accounts receivable dollars from \$50M to \$38M on a monthly basis.
<b>Hilo Medical Center, Ka'u Hospital, and Hale Ho'ola Hamakua</b>	Reduce overhead costs	Implemented Region-wide PBX (Phone Communication System)	Resulted in savings of over \$45K per month for all hospitals.
<b>Hilo Medical Center</b>	Reduce administrative write-offs	Improve revenue cycle review process	Reduced administrative adjustments \$75,000 per year.
<b>Hilo Medical Center, Ka'u Hospital, and Hale Ho'ola Hamakua</b>	Reduce overtime expense.	East Hawaii Region has an automated Time & Attendance system that requires all employees to swipe biometrically at the start and end of their shifts.	15% reduction in OT in FY13.
<b>Hilo Medical Center</b>	Advanced Clinical Documentation in MEDITECH EMR	Implemented required data elements to improve charge capture for certain medications e.g. IV bags.	Improved IV bag charge capture by 50%. An increase of \$1M of cash collections annually.
<b>Hilo Medical Center</b>	Health Information Management & Coding	Implemented integrated 3M coding system to MEDITECH EMR	Reduced Discharge Not Final Coded to less than \$1M on a daily basis.
<b>Hilo Medical</b>	Increase Patient Co-payments	Implemented MEDITECH EMR Cash	\$500K additional in

<b>Center</b>	during patient visit	Drawer module	annual cash collections.
<b>Hilo Medical Center</b>	Decrease patients leaving East Hawaii Region for specialty services	Expanded clinical outpatient services e.g. Urology, Cardiology, and Orthopedic.	Decreased outmigration by 30% for East Hawaii. Increasing revenue by 5%.
<b>Hilo Medical Center, Ka'u Hospital, and Hale Ho'ola Hamakua</b>	Leverage ARRA Meaningful Use Funds – Stage 1 and Stage 2	Implemented the Region-wide Integrated MEDITECH EMR System and successfully attested for Meaningful Use Stage 1	East Hawaii Region received approximately \$2.5M Medicare incentive funds.
<b>Hilo Medical Center</b>	Emergency Room Patient Flow Improvement	Changed Emergency room process through applied analytics that reduced wait times to an average of 17 minutes and produced top third to top quartile patient satisfaction	Absorbed an ER volume increase of 5% a year since 2011 without adding significant new resources or infrastructure
<b>Hilo Medical Center</b>	Nurse Staffing Improvement	Developed flexible staffing models that improved the ability to match patient numbers with efficient numbers of caregivers	Approximate 3% in nurse labor cost avoidance
<b>Hilo Medical Center</b>	HMSA Quality Incentive Program	Met benchmarked quality standards for patient care in areas such as harm prevention, advanced care planning and readmission prevention	Earned \$2,036,000 in quality incentive in 2013
<b>Hilo Medical Center</b>	CMS Pay for Performance	Met CMS standards for evidenced based care, harm avoidance and readmission prevention	\$79,000
<b>Leahi Hospital</b>	Reduce utilities – average monthly expense = \$80,000.00	The facility is looking to install a Photo Voltaic System (PV) later this year with an anticipated savings of \$.32 on the dollar. In the meantime, the facility will trial 900kw generator for possible cost savings during the weekends with the potential to look at week days.	Projected savings of \$25,000/month.
<b>Leahi Hospital</b>	Reduce overtime and regionalize new hires	Fill department vacancies and look to regionalize new hires to effectively allocate resources where needed as opposed to hiring a new employee for each facility to fulfill the same responsibility.	Savings to be determined based on attrition.
<b>Kauai Region</b>	Reduce overtime expense.	Review OT use by department monthly and reduce or eliminate OT by adjusting schedules and reviewing work flows.	40% target reduction or \$400K per year (amount included fringe benefits)

<b>Kauai Region</b>	Increase outpatient services	Better utilization and scheduling of current provider staff will increase quality, patient access and lower cost.	Clinics have expanded, 13 FT MD's and 2 PT APRN's, about \$1M gross charges per month. Our goal is increase utilization rate from 86 percent to 90 or higher to increase billable charges.
<b>Kauai Region</b>	Collect co-payments in ER and "point of service collections"	Hospitals will begin collecting co-payments in ER and co-pays in clinic	Increase in cash collections
<b>Kauai Region</b>	Integrating hospitalists into the clinic setting.	Deferred hiring of 1 MD in hospitalists program. Currently restructuring work hours, establishing physician expectations and end Locums contract.	Build larger primary care base and increase productivity and value added to the hospitalists program and the community we serve. Cost savings of \$250 – 300K per year
<b>Kauai Region</b>	Implement new AR/Revenue Cycle System	Implemented new AR system (MARS) in October of 2013.	Reduced the overall AR from 15 million to 13 million in 6 months, collectable AR from 7 million to 5.5 million in 6 months (better collections and follow-up). Reduced DNFB from an average 1.7 million to an average of 900k in 6 months. Updates Accounts Receivable and collection efforts daily compared to previous monthly updates Online and automated in comparison to utilizing paper/excel account follow-up. Monitors billing and follow-up daily to instantly show trends and identify issues.
<b>Kauai Region</b>	Evaluate operations.	Evaluating current operations and looking to reduce overall expenses. Freeze recruitment of CFO and HR recruitment positions \$250K savings per year. SMMH redescription of	Reduce overall expenses by up to \$6 million dollars.



		Physical Therapy position \$10K savings per year.	
<b>Kauai Region</b>	Reduce purchased services	Star protection security contract modified for reduced services. Terminated Hale Lea lease. Bio waste contract changed. Termed Air filter replacement contract, new water treatment process estimated to save \$200K for Kauai region. Co-share of Tech center space lease with Corp. \$1,100.00 per month. Currently re-negotiating Laundry services contract aiming to lower cost by \$180K	Reduced purchased services costs.
<b>Kauai Region</b>	Increase employee meal costs.	Increased the meal price for employees from \$2.50 to \$5.00.	Increase in dietary revenues
<b>Kauai Region</b>	Physician compensation study and evaluation.	Establishing a compensation model that is based on productivity, quality and performance. 9/2/14 New Orthopedic surgeon hired at reduced salary from previous incumbent.	Higher physician revenues with less overhead. \$200K reduction annually
<b>Kauai Region</b>	PCMH patient centered medical home.	Implemented PCMH patient centered medical home in the clinic.	Increase reimbursement by per member per month fee. Additional Revenue potential of \$200K per year.
<b>Kauai Region</b>	Mid-level management positions to become regional as opposed to per facility when applicable.	1/14 regionalization of emergency department management (cost savings of \$100K per year) and reworking job descriptions when able to encompass region in comparison to individual facilities or clinics.	Gain increased efficiency; consistency in care delivered; reduce duplication of efforts and cost savings on wages/benefits.
<b>Kona Community Hospital</b>	Physician Recruitment	Over the past 2 years Kona has recruited an Urologist, 2 OB Physicians and an Orthopedic Surgeon. This has increased our Surgery cases from 150 surgeries per month to 250 surgeries per month with basically the same OR staff.	Increased net revenue by \$2.5M per year.
<b>Kona Community Hospital</b>	Huron Healthcare Engagement	In March 2014 Kona contracted with Huron Healthcare to help the hospital change processes and implement best practices over the next 8 months.	These measures will enable the hospital to decrease expenses and increase revenues totaling \$5M annually.

## ATTACHMENT 2: MAUI REGION LETTER ON STROUDWATER INITIATIVES

November 4, 2013

TO: Alice Hall, Interim Chief Executive Officer, HHSC

FROM: Wesley Lo

SUBJECT: Follow-up to Stroudwater Report

Pursuant to your e-mail request on 10/29 regarding follow-up to the Stroudwater Report, I am providing the following responses.

For purposes of this response, I am organizing this by providing a summary, followed by a narrative of each of the areas.

### Summary

The Stroudwater Report was completed in December of 2009. In reviewing the report, much of their financial analysis was based on Audited 2008 financial statements, and “unaudited” financial statements for 2009.

In the summary that you provided to us, the total savings that Stroudwater identified was \$13,855,650. An analysis of Operating performance comparing 2013 to fiscal 2009 and 2008, reflect that MMMC improved its performance by \$18.7 million and \$14.1 million, respectively during that time frame.

During the study, the Maui Region had informed Stroudwater of the many initiatives that were in progress, some of which were identified as well as others. We had informed Stroudwater that many initiatives would result in incremental savings or improvements over the next several years.

In general, some of the initiatives that we were in the midst of included our efforts to change our product mix and expand service, in particular in the Cardiothoracic and Vascular Surgery areas. We were confident that if we were successful in starting these programs we would see increases in other categories due to the “halo” affect that is often times associated with “successful” cardiothoracic programs. As you may recall, we had started these efforts several years prior to 2009, and we anticipated that financial results would see an affect during the building of these programs and we had arranged for financing to best manage through the growth period.

As you know, now our Cardiothoracic Surgery program is “hitting its stride” and is now the most profitable service line in the hospitals. In addition, we are seeing the results of this and other initiatives that we have started.

In reviewing our operating performance (exclusive of OPEB calculations which are largely uncontrollable by the facility), our results reflect that our Operating performance for the year ended 6/30/2013 (unaudited) has substantially exceeded the \$13,855,650 identified in the Stroudwater report.

	<u>Operating Loss</u>	Difference from <u>2013</u>
2013(1)	\$(13,760)	
2009(2)	\$(32,470)	18,710
2008(2)	\$(27,832)	14,072

- (1) Unaudited financial statements exclusive of OPEB
- (2) Audited financial statements exclusive of OPEB
- (3) Audited financial statements exclusive of OPEB

### Details

The following is a listing of opportunities identified in the Stroudwater report and our response

#### **Opportunity**

Recapture lost inpatient market share \$1,414,700

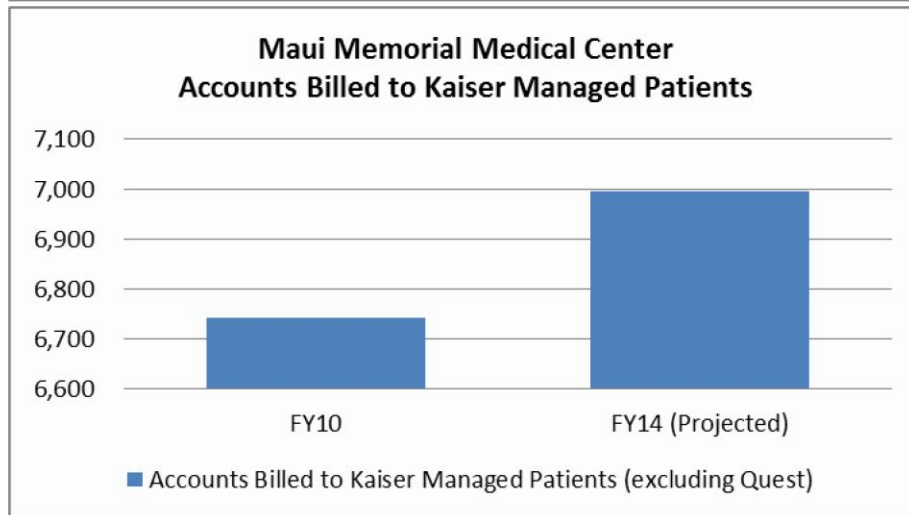
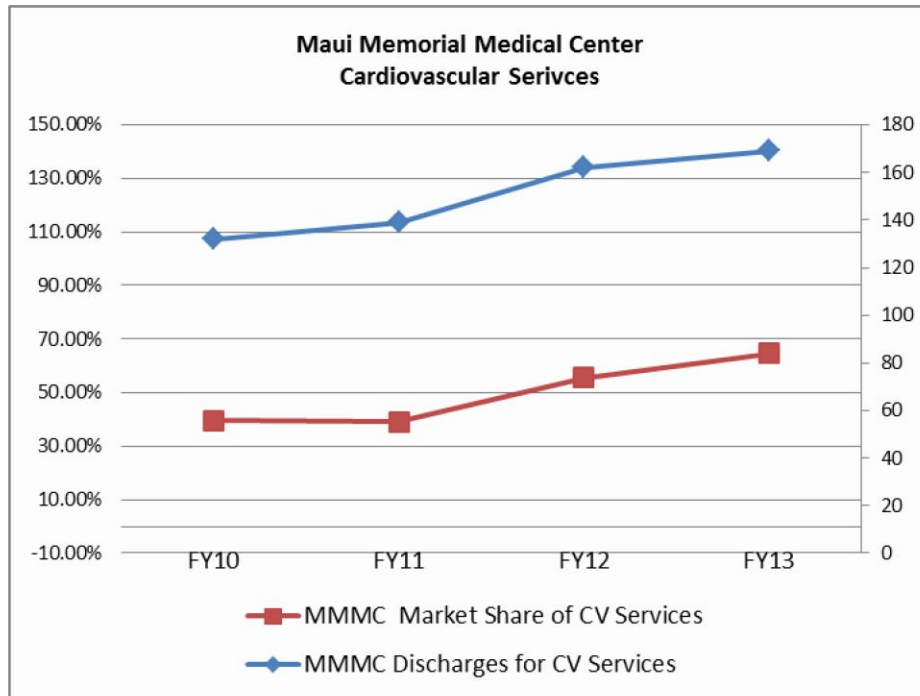
#### Response

MMMC has completed the implementation of the first phase of the Cardiovascular Services Service Line. We are now engaged in evaluating its progress, quality metrics and ability to expand related services.

From a financial stand point, using the cost to charge methodology, Cardiovascular and the related services are the only profitable services lines at MMMC.

Overall, MMMC's CV service line is thriving and quality measures are good. The program has expanded and provides certain cardiology related services to other islands.

	<b><u>FY13 Compared to FY10</u></b>
% Increase of CV Discharges	28.0%
% Increase of MMMC Maui Market Share	63.8%
% Increase of CV CMI	0%



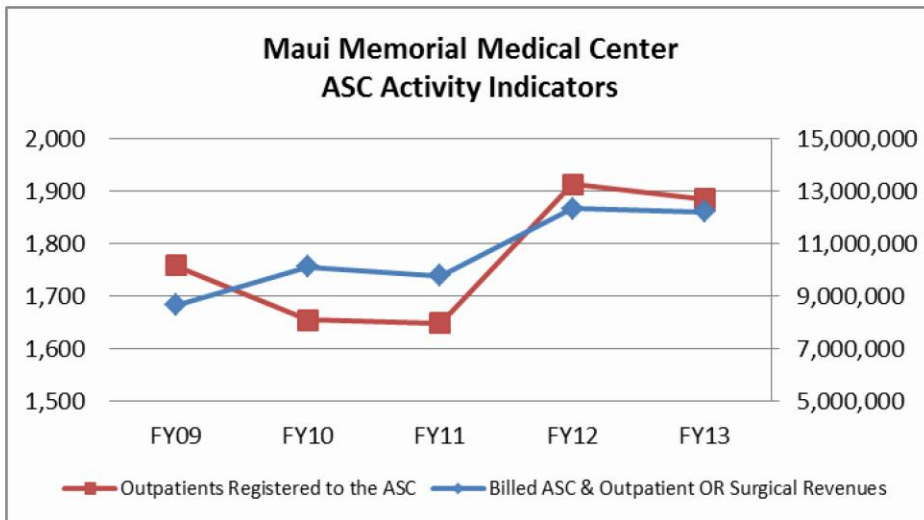
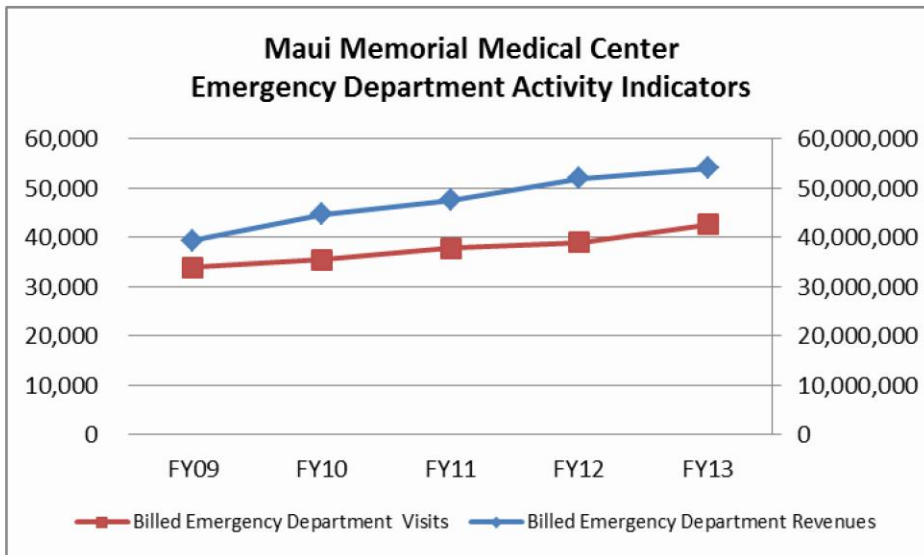
### Opportunity

Grow outpatient/ambulatory services by 8%    \$2,057,000

#### Response

	<u>FY13 Compared to FY09</u>
% Increase in Billed Emergency Department Revenues	37%
% Increase in Billed Emergency Department Visits	25%

	<b>FY13 Compared to FY09</b>
% Change in Billed ASC Outpatients Revenues	137%
% Change in Billed Outpatient Surgical Revenues	41%
<b>% Change in Billed ASC &amp; Outpatient Surgical Revenues</b>	<b>41%</b>
% Change in Billed ASC Outpatients Visits	7%



**Opportunity**

Reduce administrative adjustments      \$969,000

**Response**

We are still working on ensuring consistent revenue cycle management.

Description	FY10	FY11	FY12	FY13
Gross Revenue	387,650,425	407,014,573	460,149,622	479,594,239
Admin Allowances	8,257,178	15,166,213	7,509,653	12,398,404
Admin Allowances as a % of Gross Revenues	2%	4%	2%	3%

**Opportunity**

Freeze hiring on 65 vacant positions      \$2,925,000

**Response**

This initiative is more of a cost avoidance versus a cost savings. MMMC has implemented a more robust staffing assessment and justification process to help ensure hires are operationally necessary. Additionally, MMMC has reviewed its HR roster and eliminated positions that had not filled.

**Opportunity**

Cost Report Findings: Nursing Admin Costs      \$175,000

**Response**

We have not followed up on this item, and need to do further research

**Opportunity**

Cost Report Findings: Home Office Cost Reports      \$262,500

**Response**

This initiative was implemented for cost report FY2011. The financial impact is undetermined the time of the writing of this response.

### Opportunity

Implement 3M Coding software to improve coding and improve CMI \$1,950,000

#### Response

MMMC has completed the implementation of 3M and the product is currently in use. We would like to stress that coding reflects the documentation in the chart which is provided by the Physicians. Implementation of a new coding system will not provide for new revenues and a higher CMI if the documentation in the charts does not support it.

MMMC is currently working on development of a CDI program to support a successful implementation of ICD10. Overtime, this program should help physicians code more accurately and more completely and where legal and appropriate can increase MMMC's CMI and overall compensation for the care provided to its patients.

The financial impact of implementing 3M is undetermined the time of the writing of this response.

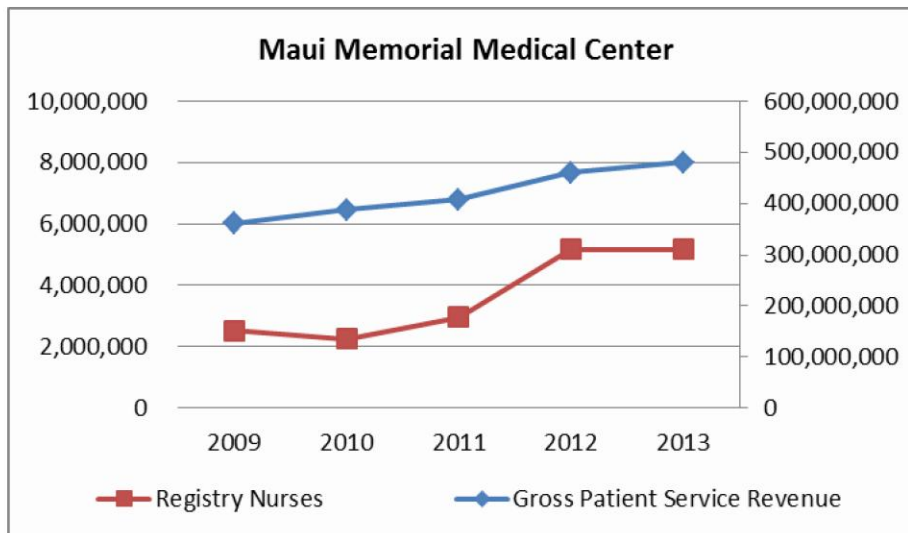
### Opportunity

Reduce contract labor costs by 30% \$1,512,000

#### Response

We are still working on ensuring consistent labor management. Due to the increase in specialized services, we continue to struggle to get experience in these areas, but over the last year, we have stabilized our use of registry despite continued increases in Revenues.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Registry Nurses	2,526,247	2,254,360	2,970,853	5,170,504	5,176,990



### **Opportunity**

Reduce acute length of stay to Pacific benchmark \$403,000

#### **Response**

As it relates to additional long term care beds, as you know, because of the age of Kula Hospital, when we replaced our boiler, it was required that we replace all of the plumbing in the building. We are in the final stages of that project, but we have been down approximately 19 beds for over a year. Upon completion, we will be increasing our bed count in Kula as follows:

- Mid December 13 beds
- Mid February 12 beds
- Mid July 9 beds

This coupled with new strategies related to the waitlist and Medicaid eligibility should improve our length of stay.

### **Opportunity**

Implement electronic time & attendance \$350,000

#### **Response**

Project was delayed due to the EMR implementation. It is an ongoing objective.

### **Opportunity**

Eliminate Perot systems contract; add 10 FTE's to PFS \$682,500

#### **Response**

Consideration was delayed due to the EMR implementation. The new system is being designed with the intent of reducing the amount of business outsourced.

### **Opportunity**

Upfront collections implemented improving self-pay collections \$641,200

#### **Response**

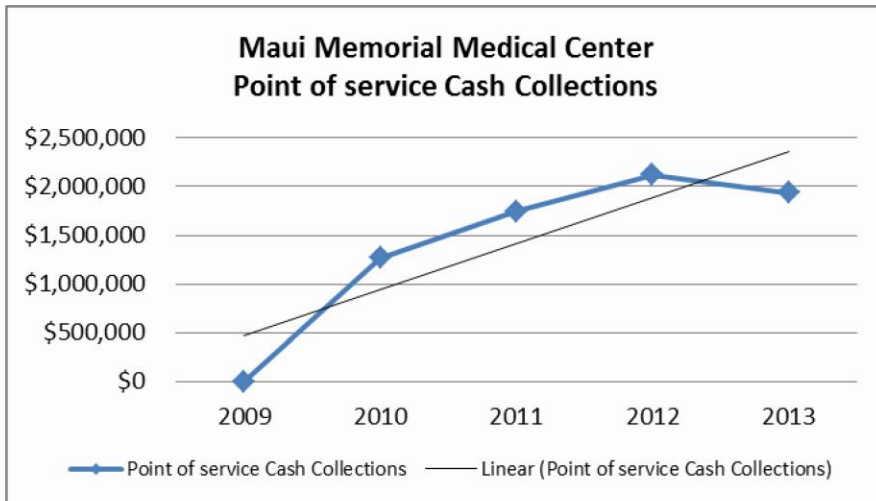
MMMC has seen significant success of its point of service cash collections program.

#### **FY13 Compared to FY10**

% Increase of Point of service Cash Collections

53%





**Opportunity**

Convert psych unit to Medicare certified unit \$513,750

**Response**

This initiative is still being evaluated.

**Wednesday- March 19, 2014 - 8:30 am**  
**Conference Room 329**  
**COMMITTEE ON HEALTH**

To: Rep. Della Au Belatti, Chair  
Rep. Dee Morikawa, Vice Chair

From: Mr. and Mrs. Thomas Russi

**Re: Testimony for HCR203**

Thank you for this opportunity. We are definitely in favor of this resolution especially to make sure that HHSC is using their tax dollars wisely. My wife, Christine and I are always very concerned with the use, and misuse, of tax dollars.

In 2013, a state employee working for HHSC, hired a family member to work at HHSC, to badger us, to the point of the employee being removed from his position. He held his position at HHSC, for only eight months, at which time, he was removed because of complaints filed against him that could not be investigated without holding him accountable. He was paid \$78,567.52, including vacation pay, when he was removed. This is a serious violation of the public's trust and a misuse of tax dollars within the hospital system. If HHSC is going to work like it was set up to work, this type of personal agenda needs to be stopped. If any legislator checks the work product of this HHSC employee, in the Risk Management Position from Jan 2013 to Sept 2013, it will definitely shed some light on this situation and we ask you to vote in favor of having HHSC submit plans to reduce their operating deficits.

Thank you for your consideration.

**morikawa2-Joanna**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 18, 2014 1:30 PM  
**To:** HLTtestimony  
**Cc:** psgegen@hotmail.com  
**Subject:** \*Submitted testimony for HR160 on Mar 19, 2014 08:30AM\*



**HR160**

Submitted on: 3/18/2014

Testimony for HLT on Mar 19, 2014 08:30AM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
pat gegen	Individual	Support	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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**morikawa2-Joanna**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 18, 2014 9:47 PM  
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**HCR203**

Submitted on: 3/18/2014

Testimony for HLT on Mar 19, 2014 08:30AM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Paul A. komara, Jr.	Individual	Support	No

Comments:

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