



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
The Senate
Committee on Health,
Commerce and Consumer Protection,
Judiciary and Labor

Testimony by
Hawaii Government Employees Association
February 10, 2014

S.B. 2949 – RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the intent of S.B. 2949, which amends Hawaii Revised Statute 323F, by adding a new Part II “TRANSITION OF HAWAII HEALTH SYSTEMS CORPORATION, REGIONAL SYSTEM, OR COMBINED REGIONAL SYSTEM; 323F-A Hawaii health systems corporation; transition authority; 323F-B Transition board; combined regional system board; 323F-C Transition board, combined regional system board; powers; 323F-D Transition plan; criteria; 323F-E Attorney general, director of finance; approval; 323F-F Liabilities; period of transition; repeals 323F-7.6 Transition of Hawaii health systems regional system or health facility to a new entity; adds new Parts III and IV.

As the exclusive representative of employees included in bargaining units 02, 03, 04, 09 and 13 of the Hawaii health systems corporation, we oppose as drafted S.B. 2949 as the establishment of guidelines for the transitioning of the Hawaii health systems corporation does not provide for inclusion as part of the transition authority. The language basically allows a region or combined regions to make decisions based on self-interest in regards to their own region and not necessarily the how the services to the people of Hawaii would be impacted.

Thank you for the opportunity to testify in opposition of S.B. 2949.

Respectfully submitted,

Randy Perreira
Executive Director

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: jkealoha@ilwulocal142.org
Subject: Submitted testimony for SB2949 on Feb 10, 2014 13:30PM
Date: Sunday, February 09, 2014 2:40:38 PM
Attachments: [2014 SB2949 HHSC \(Baker\).docx](#)

SB2949

Submitted on: 2/9/2014

Testimony for HTH/CPN/JDL on Feb 10, 2014 13:30PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Joanne Kealoha	ILWU Local 142	Comments Only	No

Comments: SB 2949 sets guidelines for the dismantling of HHSC. Representing 18,000 active members and thousands of retired members statewide, most of whom live on the neighbor island and rely heavily on HHSC facilities, the ILWU is concerned about the regions that will NOT be acquired. Will the State honor its commitment to provide safety net services to them? We urge caution in proceeding. Thank you.

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The Twenty-Seventh Legislature
Regular Session of 2014

THE SENATE

Committee on Health

Senator Josh Green, Chair

Senator Rosalyn H. Baker, Vice Chair

Committee on Commerce and Consumer Protection

Senator Rosalyn H. Baker, Chair

Senator Brian T. Taniguchi, Vice Chair

Committee on Judiciary and Labor

Senator Clayton Hee, Chair

Senator Maile S.L. Shimabukuro, Vice Chair

Hawaii State Capitol, Conference Room 229

Monday, February 10, 2014; 1:30 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 2949
RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION**

The ILWU Local 142 would like to offer comments on S.B. 2949, which establishes guidelines for the transition of the Hawaii Health Systems Corporation, a regional system, or a combination of two or more regional systems into a nonprofit corporation and proposes certain retirement benefits for employees of the HHSC who are ERS members.

The Hawaii Health Systems Corporation (HHSC) has been faced with financial challenges since its inception. HHSC maintains hospitals statewide that, for the most part, do not generate revenue and are not self-sufficient. Much of the services provided are for long-term care, and most of the patients served are on Medicaid. HHSC has been looking at other sources of revenue and other models of governance, but the concern raised by many, including the ILWU, is preservation of the safety net function that HHSC is mandated to provide.

The ILWU represents more than 18,000 active members and thousands of retired members statewide. Most of our members and retirees live on the neighbor islands, which heavily depend on HHSC facilities, and many of them live in rural communities like Ka'u and Lanai where health care resources are limited. Without HHSC, there would be no emergency room services for them.

S.B. 2949 sets up guidelines for the dismantling of HHSC. The assumption is that anyone who takes over the entire corporation or a portion of it will have sufficient financial resources to continue services in that region. The problem will be the other regions that will not be acquired. Will the State continue services for them, especially with the potential for greater outlay of capital and diminished revenues? The State's requirement to provide safety net services should be honored.

S.B. 2949 also provides a retirement incentive for those who qualify. However, the disruption due to layoffs will be huge to the community.

There is no easy solution to the fiscal dilemma HHSC faces. We urge caution in proceeding with a proposal to allow another entity to acquire all or some of HHSC hospitals. Thank you for considering our comments.



**Senate Committee on Health
Senator Josh Green, Chair
Senator Rosalyn H. Baker, Vice Chair**

**Senate Committee on Commerce and Consumer Protection
Senator Rosalyn H. Baker, Chair
Senator Brian T. Taniguchi, Vice Chair**

**Senate Committee on Judiciary and Labor
Senator Clayton Hee, Chair
Senator Maile S.L. Shimabukuro, Vice Chair**

Monday, February 10, 2014
Conference Room 229
1:30 p.m.
Hawaii State Capitol

Testimony Strongly Supporting Senate Bill 2949, Relating to Hawaii Health Systems Corporation. Establishes guidelines for the transition of the Hawaii Health Systems Corporation, a regional system, or a combination of two or more regional systems, into a nonprofit corporation. Proposes certain retirement benefits for employees of the Hawaii Health Systems Corporation who are employees' retirement system members.

Debra Sundberg
Executive Director, Ali'i Health Center, an affiliate of HHSC

On behalf of Ali'i Health Center, a wholly-owned affiliate of the Hawaii Health Systems Corporation (HHSC), thank you for the opportunity to present testimony in strong support of Senate Bill 2949, which allows the corporation, a regional system or a combination of two or more regional systems to transition to a nonprofit hospital corporation.

Alice M. Hall, Acting President and Chief Executive Officer of HHSC has submitted lengthy testimony detailing the many specific reasons why this bill must move forward as the next step in the evolution of the thirteen facilities encompassing HHSC. HHSC is a large organization providing crucial services to near one-quarter of the state's residents. The initial creation of HHSC and subsequent readjustments over the years have been essential steps in improving the care delivered by our facilities. The changes envisaged in this current bill are the necessary next step in furthering HHSC's evolution. These changes are absolutely essential as we seek to transform our facilities to meet the current and emerging healthcare needs of the populations we serve.

Enabling the HHSC facilities to pursue a public private partnership with a larger, more robust, highly functioning healthcare system is the only way to achieve the needed economies of scale, access to capital and full integration of best practices that will equitably ensure the populations served continued access to high quality, necessary care.

Ali`i Health Center strongly supports this measure.

Thank you for the opportunity to testify in support of this measure

Mahalo,

Debra Sundberg, MBA CMPE
Executive Director
Ali`i Health Center
An Affiliate of HHSC

From: mailinglist@capitol.hawaii.gov
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Cc: pchowdhurymdllc@gmail.com
Subject: Submitted testimony for SB2949 on Feb 10, 2014 13:30PM
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SB2949

Submitted on: 2/9/2014

Testimony for HTH/CPN/JDL on Feb 10, 2014 13:30PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Pradeepta Chowdhury	Pradeepta Chowdhury MD LLC	Support	No

Comments: I support this bill in general. However, in the past, the employment of 'state' workers with 'state' benefits has been a huge financial drain to Hawaii Health Systems. It consumes over 60% of the operating budget. I would like to see that the 'current' employees remain eligible for the benefits that they have accrued and were promised. However, going forward, each employee should re-apply for their position and be re-employed if they meet criteria. This will mean that 'bad' employees (who thus far have been 'protected' by unions) may not be re-hired in the new system. Moving forward, the 'benefits' package needs to be revised so as not to burden the new 'non-profit' hospital system.

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From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: bob_hanley@yahoo.com
Subject: *Submitted testimony for SB2949 on Feb 10, 2014 13:30PM*
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SB2949

Submitted on: 2/9/2014

Testimony for HTH/CPN/JDL on Feb 10, 2014 13:30PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Hanley	Individual	Support	No

Comments:

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COMMITTEE ON HEALTH

Senator Josh Green, Chair

Senator Rosalyn Baker, Vice Chair

Monday, February 10, 2014

1:30 PM.

State Capitol, Room 229

RE: TESTIMONY IN SUPPORT OF **SB 2949**, RELATING TO HHSC

Aloha Chair Green, Vice Chair Baker and Member of the Committee:

My name is Nicole Apoliona, M.D., medical director of Kula Hospital and I'm in strong support of **S.B. No. 2949**, that seeks to establish guidelines for the transition of one or more regions of the Hawaii Health Systems Corporation (HHSC) into a nonprofit corporation.

As a medical doctor of Maui Memorial Medical Center (MMMC) and Kula Hospital and a resident of Maui, my main concern is the future of health care services on our island. MMMC is HHSC's largest acute care facility and only full-service hospital in Maui County. We are the only hospital in the state with a 24/7 stroke treatment program, the only neighbor island hospital that provides comprehensive cardiovascular services and the only neighbor island hospital with a Trauma Center designation. Currently, we have over 1,400 employees, including 200 attending physicians, making MMMC one of the largest employers on Maui.

I support this legislation because we need a solution that will help MMMC, as well other HHSC facilities across the state, become sustainable, rely less on government subsidies and expand services to address the current and future health care needs of our communities.

When operating revenues are not enough to cover expenses, we have a problem. And if nothing changes, we will be forced to make tough decisions that will compromise the delivery of health care services in Maui County and jeopardize the well-being of our residents and visitors.

On behalf of my colleagues at MMMC and my friends and family on Maui, I urge you to pass this legislation that will allow us to explore the option of a public-private partnership. I am, however, concerned that the transition boards are given unqualified powers which does not guarantee appropriate input from all community stakeholders. I would recommend modifying the bill, by adding "after appropriate input from medical staff, hospital staff and community stakeholders" prior to each empowerment clause. This ensures that the stakeholders have a voice in the choice. This is a good opportunity for us and we need your help to move forward.

Sincerely,

Nicole Apoliona, M.D.

Dear Legislatures

I stand in opposition in regards to both SB 2569 and SB2569 SD1 relating to home birth. I feel that natural and cultural practices relating to birth are being threatened by these bills. Every individual should have the right to decide where they want to give birth. Women have been giving birth in their homes for centuries now and by not continuing to allow home births from occurring should the expected parents decide that is what for them is an injustice to their rights of free choice.

Stephanie Tolentino

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: felicitas.b.livaudais@kp.org
Subject: Submitted testimony for SB2949 on Feb 10, 2014 13:30PM
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SB2949

Submitted on: 2/10/2014

Testimony for HTH/CPN/JDL on Feb 10, 2014 13:30PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Felicitas Livaudais	Individual	Comments Only	No

Comments: Dear Senators, I truly believe we have a medical crisis looming in Maui. We have a State run hospital with not enough resources, an aging doctor community and difficulty recruiting new doctors to our medical community. We are proud to serve the population on Maui but we are short in many subspecialties such as ENT, Gastroenterology, Orthopedics and Urology. We have one Neurosurgeon and as wonderful as he is, he is on call 24-7. Maui has a vibrant growing population and our medical community needs additional resources to reach the level of excellence I believe we are capable of. To have a private partnership would allow us additional financial and academic resources, and allow us to have a premier training program so we can indoctrinate future physicians into our medical community. If we do nothing and allow the status quo, I hate to think what will happen. It would be irresponsible not to plan for a thriving medical community. I predict more doctors will leave due to the difficult call schedule and although we may have a stellar reputation as a destination vacation, people will think twice about moving and traveling here if the medical care is in decline. Very truly yours, Felicitas B. Livaudais- Maui Pediatrician (I write this letter as a concerned physician and am not a spokesperson for any medical group)

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