

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in OPPOSITION to HB1188
RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND**

SENATOR JOSH GREEN, CHAIR
SENATE COMMITTEE ON HEALTH

Hearing Date: March 18, 2015

Room Number: 414

1 **Fiscal Implications:** Changes the appropriation of money in the Hawaii Tobacco Settlement
2 Special Fund (TSSF) that is administered by the Department of Health (DOH).

3 **Department Testimony:** The Department opposes HB1188, which changes the distribution of
4 the TSSF from percentage distributions to dollar appropriation amounts for the receiving
5 agencies.

6 The Department is committed to serving the public with the TSSF and is mindful that
7 Hawaii joined other states in the class action suit because of the overwhelming scientific
8 evidence for the lethal effects of tobacco use and the predatory marketing practices of the
9 industry. The National Association of Attorneys General settled largely out of concern for youth
10 who were targeted by tobacco companies. The Tobacco Master Settlement Agreement (MSA)
11 states that in settling, the funds, “. . . will achieve for Settling States and their citizens significant
12 funding for the advancement of public health, the implementation of important tobacco-related
13 public health measures. . .” When Hawaii entered the class action suit, more than one in four
14 youth and one in five adults smoked, and unfortunately suffered the consequences of tobacco
15 addiction. Over the course of fifteen years with these dollars, and the comprehensive strategies
16 implemented by policymakers, community organizations, government agencies, and dedicated
17 individuals, youth smoking is down 63% (2001-2013, Youth Risk Behavioral Survey), and adult
18 smoking 32% (2000-2013, Behavioral Risk Factors Surveillance System). For the first time we
19 can report a downward trend in deaths due to lung cancer of 11% (2001-2003 to 2011-2013,
20 DOH Vital Statistics). During the same time, the death rate from heart disease went down 34%
21 and from stroke 41%.

1 The Hawaii Legislature in 1999 passed Senate Bill 1034, Conference Draft 1 that
2 originally allocated 25% portion of the total TSSF for public health disease prevention and health
3 promotion programs and 25% for the Tobacco Prevention and Control Trust Fund (Trust Fund)
4 in keeping with the spirit of the MSA. The Department has adjusted to transfers, diversions and
5 reductions to the TSSF portions for public health purpose to help meet state budget shortfalls.
6 Currently the DOH receives 15% of the TSSF pursuant to §328L-2(b)(2), and -4(2), Hawaii
7 Revised Statutes (HRS) that funds the health promotion and chronic disease prevention programs
8 in the Healthy Hawaii Initiative (HHI) that is located in the Chronic Disease Prevention and
9 Health Promotion Division. The Department of Human Services receives up to 10% of the total
10 of the TSSF for the State Children’s Health Insurance Program (S-CHIP) for immigrant and
11 migrant children pursuant to §328L-2(b)(2), and -4(1), HRS. The DOH also administers the
12 6.5% portion to the Trust Fund per §328L-2, and -5, HRS that provides for the comprehensive
13 and successful tobacco control program in Hawaii. Table 1 provides an overview of the historic
14 TSSF distributions to fiscal year 2016.

15 The DOH opposes the change to dollar appropriations and prefers the percentage
16 distribution portions for several reasons. Besides the percentage reduction for the DOH HHI,
17 general funds for chronic disease programs were supplanted with TSSF, and set dollar
18 appropriations may result in further cuts. The DOH develops projections for annual funding and
19 program plans based on historic receipts and the TSSF is the only source of state funding for the
20 nutrition, physical activity, tobacco, and chronic disease prevention programs in the Department.
21 The Trust Fund portion was decreased over the years and for fiscal years 2013 and 2014 diverted
22 to the general fund, and dollar appropriations may result in further reductions. The investment
23 and yield for the Trust Fund is best served by an environment that promotes long-range planning.
24 The DOH works closely with stakeholders to assess and meet tobacco prevention and cessation
25 needs while also working to maintain the viability of the Trust Fund. For public health, the
26 stability of percentage portions allows for long-term strategic goal setting while also providing
27 the capacity to be responsive to emerging and pressing issues like obesity prevention, disparate
28 smoking rates in the population, and the significant increase in youth using e-cigarettes. The

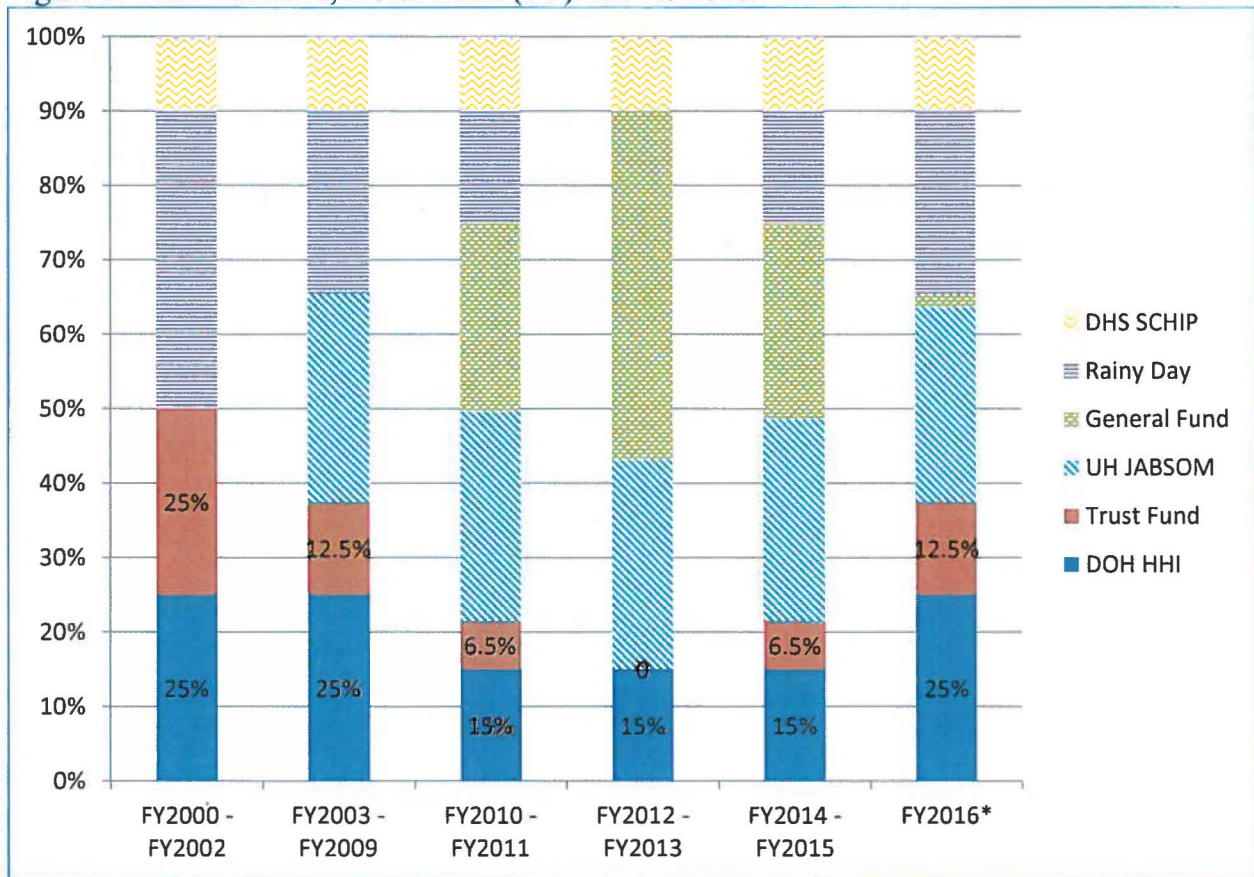
1 percentage structure for the distribution of the TSSF provides the support for maintaining the
2 focus on prevention.

3 The Department works closely with the Hawaii Community Foundation (HCF) that is
4 contracted to invest, manage and expend the Tobacco Prevention and Control Trust Funds
5 (Trust Fund) under §328L-5, HRS. Through competitive grants and contracts, the HCF funds
6 community organizations to provide cessation services for people who are harder to reach and
7 face greater health disparity, and prevention interventions for youth at greatest risk for smoking,
8 and community coalitions that keep stakeholders engaged. Over the years, 179 grants have been
9 awarded to agencies representing all the counties. The Hawaii Tobacco Quitline has served over
10 22,000 smokers and 90% of people who call make a quit attempt.

11 Prevention requires long-term strategies that will give people in Hawaii the healthy
12 default options where they live, work, and play. The success and continuing challenges of
13 maintaining the lowering trends for smoking and tobacco use provides relevant parallels for what
14 is needed to improve nutrition and physical activity behaviors to reduce obesity rates and the
15 onset and management of chronic diseases. The Department requests the continuing support to
16 focus on prevention-based programs that will reduce the burden of chronic disease that are
17 largely attributable to healthy eating, physical activity, and living tobacco free.

18 Besides the impact on the DOH and Trust Fund programs the Department is also
19 concerned about the impact that the distribution changes will have across the various entities that
20 rely on the funding. The annual revenue of the payments is based on the profits from the
21 participating tobacco companies and subject to offsets and contests and received usually on or
22 after April 15 of each year. The receipts are about 10% to 15% less than the original yearly
23 estimated payments to Hawaii. The actual net portions to each agency identified in statute is
24 calculated after all MSA deposits are received, and is minus the applicable central services
25 assessments (CSA) and departmental administrative fees. The net portions are distributed and
26 received by the various agencies between May and June of each year. The percentage structure
27 in §328L-2, HRS accommodates the variabilities in the annual revenue within the overall
28 appropriation ceiling for the TSSF in the DOH program budget, HTH590.

1 Figure 1. TSSF Structure, Fiscal Years (FY) 2000 to 2016.



2
3
4 * DOH, Trust Fund, and Emergency and Budget Reserve (“Rainy Day”) fund portions scheduled to revert to
5 FY2009 levels pursuant to Act 119, SLH 2009, starting FY2016, but annual total MSA payments to Hawaii will go
6 down from FY2018 when the Strategic Contribution Years end.

7
8 **Offered Amendments:** The Department requests, that should the change in appropriation
9 structure move forward, the bill include a process or mechanism that will allow adjustments for
10 the variances in dollar distributions based on the actual revenues from year to year.

11 Thank you for the opportunity to testify.

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON HEALTH
ON
HOUSE BILL NO. 1188

March 18, 2015

RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND

House Bill No. 1188 proposes to change the distribution of the tobacco settlement monies from a percentage distribution to unspecified amounts for the various affected programs which impact the Department of Budget and Finance, Department of Health, and the University of Hawaii.

The Department of Budget and Finance has concerns with this measure and offers the following comments. First, codifying the distribution of tobacco settlement monies based on specific amounts raises a logistical concern on what happens when actual revenues received are under or over the proposed amounts identified in this bill. If actual funds received are less than the amount specified on this bill, it is unclear whether distribution is done in some priority order or whether funding will be prorated amongst all the programs. It is also unclear what happens should actual funds received be over the total of amounts specified on the bill. Secondly, dependent upon the unspecified amounts to be determined, this may negatively impact the Administration's general fund financial plan which includes projections for the general fund for FB 2015-17 and the out-years.



HPCA

HAWAII PRIMARY CARE ASSOCIATION

Senate Committee on Health

The Hon. Josh Green, Chair

The Hon. Glenn Wakai, Vice Chair

Testimony on House Bill 1188

Relating to the Hawaii Tobacco Settlement Special Fund

Submitted by Nani Medeiros, Public Affairs and Policy Director

March 18, 2015, 1:30 pm, Room 414

The Hawai'i Primary Care Association, which represents fourteen community health centers in Hawai'i, opposes House Bill 1188, changes appropriations of money in the Hawaii tobacco settlement fund to set dollar amounts.

The Hawaii Primary Care Association understands and supports the efficient use of government funds. As a non-profit entity, we fully believe in and comply with all regulations that are required for public funding. However, the HPCA has critical concerns about the proposed language changes in House Bill 1188.

The bill as written essentially imposes a cap on monies distributed from the Hawaii tobacco settlement fund. By changing the allocated amounts from percentages to fixed dollar points, it limits the amounts that can be distributed. For entities such as health centers, these disbursements serve as the sole source of funding. We welcome the consideration of the legislature to restore funding to community health centers in the Department of Health's budget but cannot support a measure that threatens to diminish a vital source of funding to provide care in Hawaii.

Please protect funding for Hawaii's community health centers and the underserved, uninsured, low-income populations that we serve. We urge you to take these concerns into consideration and make appropriate amendments. Thank you for the opportunity to testify.



THE QUEEN'S HEALTH SYSTEMS

To: Chair Josh Green
Vice Chair Glenn Wakai
Senate Committee on Health

From: Paula Yoshioka
Senior Vice President
The Queen's Health Systems

Re: HB 1188, Relating to the Hawaii Tobacco Settlement Special Fund
Hearing—March 18, 2015 at 1:30 PM

The Queen's Health Systems would like to offer comments opposing HB 1188, which would set dollar amounts rather than percentage-based allocations from the Hawaii Tobacco Settlement Special Fund.

It is important that the state continue to invest in programs to prevent chronic diseases and to promote smoking cessation. This legislation, by setting dollar amounts, would essentially create a block grant program where the set funding would cover fewer and fewer services every year. This could mean that agencies like the Department of Health will be unable to provide critical programs and services that benefit the health and welfare of our entire state.

This legislation could compromise the ability of our state to provide essential programs and services and we would ask that you defer this measure. Thank you for your time and consideration of this matter, and for providing us the opportunity to comment on the importance of refraining from setting dollar allocations from the special fund.

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.



HAWAII COMMUNITY FOUNDATION

Board of Governors

Deborah K. Berger
Chair

Paul Kosasa
Vice Chair

Jennifer Sabas
Secretary

Eric K. Yeaman
Treasurer

Alan H. Arizumi
Robert R. Bean
Mary G.F. Bitterman
Michael Broderick
Roberta F. Chu
Kimberly W. Dey
Elizabeth Rice Grossman
Richard W. Gushman, II
Robert S. Harrison
Honey Bun Haynes
Peter Ho
Tyrie Lee Jenkins, MD
Micah A. Kane
Cathy Luke
Elliot K. Mills
Katherine G. Richardson

Neighbor Islands:

Hawai'i:
65-1279 Kawaihae Road
Parker Square, Room 203
Kamuela, Hawai'i 96743
Phone: 808-885-2174
Fax: 808-885-1857

Kaua'i:
4139 Hardy Street
Suite C
Lihue, Hawai'i 96766
Phone: 808-245-4585
Fax: 808-245-5189

Maui County:
33 Lono Avenue
Kahului Building, Suite 390
Kahului, Hawai'i 96732
Phone: 808-242-6184

TESTIMONY ON HOUSE BILL (HB) 1188 RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND

By: The Hawai'i Community Foundation

Contact: Christine van Bergeijk, Vice President and COO

cvanbergeijk@hcf-hawaii.org

Senate Committee on Health
Wednesday, March 18, 2015, 1:30 PM
State Capitol, Conference Room 414

Chair Green, Vice Chair Wakai and members of the Finance Committee:

Thank you for the opportunity to submit testimony on HB 1188. The Hawai'i Community Foundation opposes HB 1188.

The State of Hawai'i receives annual settlement payments from the Tobacco Master Settlement Agreement of 1998 (MSA). The amounts received by the states from the MSA vary from year to year. The exact amounts are unpredictable because:

- The MSA payment formula is based on annual tobacco sales by the defendant tobacco companies,
- Tobacco companies have the right to contest the results,
- The administrative agency for MSA distributions is paid a variable fee each year out of MSA funds.

Therefore, the State of Hawai'i does not know from year to year how much will be received from the MSA until the final net payment amounts are announced to the states, usually by late April or early May each year, nearly at the end of the legislative process.

HRS §328L-2 currently allocates the MSA payments among various agencies using percentages. While the Legislature has often changed the allocation percentages after HRS 328-L was first enacted, the allocations always cover 100% of the total MSA payment each year. In that way, all MSA funds are distributed every year and there are no contingency issues caused by surpluses or shortfalls when the actual distribution amounts are different than projections.

The proposed change in HB 1188 will change the percentage distribution method to a

receipts from the MSA differ from the total projected amount in the legislation, the bill does not state how any surplus or shortfall will be resolved. A shortfall would be particularly challenging. By the time the exact amount of any shortfall becomes known with certainty, the receiving agency would have already budgeted and planned for the amounts stated in the legislation.

It is important to remember that Hawai‘i made a fundamental public policy choice 15 years ago to reduce the harm caused by tobacco through broad-based grassroots prevention. The long-term results of that choice are clear. Hawai‘i is a leader nationally in reducing tobacco consumption rates, as shown in various reports from the Department of Health (DOH). The current statutory distribution method for MSA funds, using percentages over a period of years, is a key to that success because it allows DOH and HCF to use multi-year grants and contracts to fund evidence-based tobacco prevention and cessation services. Multi-year funding commitments provide important continuity, stability, and accumulated expertise for providing effective one-on-one services at the grass-roots level.

In contrast, setting annual dollar distribution amounts, as proposed, will make planning and budgeting for agencies and non-profits more unpredictable and will possibly reduce longer term planning horizons to one year fragments. If distribution decisions are made every year, it will give greater weight to short-term budgetary needs than longer-term health policy priorities. We believe that the change proposed by HB 1188 would reduce the providers’ effectiveness at reaching some of our most vulnerable target populations and could reverse 15 years of declining tobacco consumption rates.

The successes to date do not mean the battle against tobacco is over. The incidence of tobacco use in Hawai‘i continues to be a significant public health problem and there are constant new challenges, like the rapid growth of Electronic Smoking Devices (ESD) among our youth. Hawai‘i made the right choice to emphasize broad-based grassroots prevention and built a funding mechanism to support that policy. Those strengths need to be protected if we are going to continue reducing the harm caused to Hawai‘i’s people by tobacco consumption. For all of these reasons, HCF opposes HB 1188.



American Cancer Society
Cancer Action Network
2370 Nu`uanu Avenue
Honolulu, Hawai`i 96817
808.432.9149
www.acscan.org

Senate Committee on Health
Senator Josh Green, Chair
Senator Glenn Wakai, Vice Chair
Members of the Committee

HB 1188, HD1 - RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND.

Cory Chun, Government Relations Director – Hawaii Pacific
American Cancer Society Cancer Action Network

Thank you for the opportunity to provide testimony in *opposition* to HB 1188, which changes appropriations of money in the Hawaii Tobacco Settlement Fund from percentages to specific dollar amounts.

The American Cancer Society Cancer Action Network (ACS CAN) is the nation's leading cancer advocacy organization. ACS CAN works with federal, state, and local government bodies to support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem.

Tobacco prevention and control is a vital piece to curbing the severe health impacts of tobacco in our state. We are concerned that this measure has the potential to limit the amount of funding needed to counteract the marketing that tobacco companies spend to promote their products and urge the committee to consider the potential negative impacts through this measure.

Thank you for the opportunity to submit testimony on this matter.



To: The Honorable Josh Green, Chair, Committee on Health
The Honorable Glenn Wakai, Vice Chair, Committee on Health
Members, Senate Committee on Health

From: Jessica Yamauchi, Executive Director

Date: March 17, 2015

Hrg: Senate Committee on Health; Wednesday, March 18, 2015 at 1:30 p.m. in Rm 414

Re: **Strong Opposition for HB 1188, Relating to the Hawaii Tobacco Settlement Special Fund**

Thank you for the opportunity to offer testimony in *strong opposition* of HB 1188 which changes the appropriations of money in the Hawaii Tobacco Settlement Fund from percentages to set dollar amounts.

The Coalition for a Tobacco Free Hawaii (Coalition) is a program of the Hawaii Public Health Institute working to reduce tobacco use through education, policy and advocacy. Our program consists of over 100 member organizations and 2,000 advocates that work to create a healthy Hawaii through comprehensive tobacco prevention and control efforts.

HB1188 has the potential to divert funds currently targeted for tobacco prevention, control and cessation programs and chronic disease prevention funding used by the Department Health, to the State General Fund. Funds from the Master Settlement Agreement which is a result of 46 states suing the four largest tobacco companies in the United States to recover billions of dollars in costs associated with treating smoking-related illness, has a clear nexus with funding tobacco prevention and control efforts and chronic disease prevention funding.

The Tobacco Settlement Special Fund (TSSF) was established in 2000. When initially established, 25% was allocated to the tobacco prevention and control trust fund and 25% was allocated to the Healthy Hawaii Initiative within the Department of Health. Since 2000, allocations to the fund has been amended numerous times and distribution reapportioned. Currently, the tobacco prevention and control trust fund is allocated 6.5% and the Department of Health is allocated 15%.

With funding that Hawaii has invested to date in tobacco prevention, Hawaii's adult smoking rate has dropped to 13 percent, the third lowest adult smoking rate in the nation.¹ Although significant progress has been made in tobacco prevention and control, tobacco use remains the leading preventable cause of death in our state and in the country. 1,200 people die from tobacco

¹ http://health.hawaii.gov/brfss/files/2014/10/HBRFSS_2013results_OCT06.pdf



use or exposure in Hawaii each year.² Tobacco use causes \$132 billion in health care costs in the US each year³, including \$526 million the State of Hawaii.⁴ 5,600 kids in Hawaii try smoking for the first time each year, as a result 1,400 of them become regular smokers each year.⁵

The U.S. Centers for Disease Control (CDC) recommends that Hawaii spend \$13.7 million each year to fund an effective, comprehensive tobacco prevention and control program.⁶ Hawaii funds tobacco prevention and control at 55% of the recommended amount. Currently, nothing from the cigarette tax or other tobacco product tax is allocated to tobacco prevention and control. Funds from the TSSF are essential to tobacco prevention and control community programs and help those who are affected directly by tobacco addiction and tobacco marketing. \$27 million annually is spent in Hawaii on advertising and marketing of tobacco products.⁷ Prevention is essential, we must protect future generations from falling victim to the tobacco industry.

The Coalition strongly opposes HB1188 and respectfully asks the committee to hold this bill in committee.

Thank you for the opportunity to testify on this matter.

A handwritten signature in black ink that reads "Jessica Yamauchi". The signature is written in a cursive, flowing style.

Jessica Yamauchi, M.A.
Executive Director

² Campaign for Tobacco-Free Kids, *The Toll of Tobacco in Hawaii*.

http://www.tobaccofreekids.org/facts_issues/toll_us/hawaii

³ Campaign for Tobacco-Free Kids, *Toll of Tobacco in the USA*
<http://www.tobaccofreekids.org/research/factsheets/pdf/0072.pdf>

⁴ Campaign for Tobacco-Free Kids, *The Toll of Tobacco in Hawaii*.
http://www.tobaccofreekids.org/facts_issues/toll_us/hawaii

⁵ Hawaii State Department of Health, Tobacco Prevention and Education Program. (2011). *Data Highlights from the 2011 Hawaii Youth Tobacco Survey (YTS) and Comparisons with Prior Years*. Available at
http://health.hawaii.gov/about/files/2013/06/2011_HYTS.pdf

⁶ "Broken Promises to Our Children" report, Campaign for Tobacco Free Kids,
<http://www.tobaccofreekids.org/microsites/statereport2015/hawaii.html>

⁷ http://www.tobaccofreekids.org/facts_issues/toll_us/hawaii

Wednesday – March 18, 2015 - 1:30 pm
Conference Room 414

SENATE COMMITTEE ON HEALTH

Senator Josh Green, Chair
Senator Glenn Wakai, Vice Chair

From: Michael Robinson
Hawai'i Pacific Health

Re: HB 1187 Relating to Disposition of Tax Revenues
Testimony in Opposition

My name is Michael Robinson, Executive Director of Government Relations & Community Partnerships for Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system, and the state's largest health care provider and non-government employer. It is committed to providing the highest quality medical care and service to the people of Hawai'i and the Pacific Region through its four hospitals, more than 50 outpatient clinics and service sites, and over 1,600 affiliated physicians. Hawai'i Pacific Health's hospitals are Kapi'olani Medical Center for Women & Children, Pali Momi Medical Center, Straub Clinic & Hospital and Wilcox Memorial Hospital.

I am writing in opposition to HB 1188 which would establish dollar-amount caps on allocations from the Hawaii Tobacco Settlement Special Fund.

The purpose of the Tobacco Master Settlement Agreement was to hold tobacco manufacturers accountable for the harm caused by the sale of cigarettes to Hawaii's citizens. It was intended that tobacco manufacturers bear the financial burden of health-related issues caused by tobacco products. Tobacco use is the leading preventable cause of death in Hawaii and the nation, and is a leading risk factor for heart disease and stroke. It is important to the health and wellbeing of our citizens that we continue to invest in programs that prevent and treat chronic disease and smoking cessation. Setting dollar-amount limits on the allocation from the Tobacco Settlement Special Fund would restrict funding to important services and programs.

Thank you for the opportunity to provide testimony.



March 17, 2015

To: The Honorable Josh Green, Chair
The Honorable Glenn Wakai, Vice Chair
Members, Senate Committee on Health

Hrg: Wednesday, March 18, 2015 at 1:30 PM in Room 414

Re: **Strong Opposition for HB 1188, Relating to the Hawai`i Tobacco Settlement Special Fund**

Thank you for the opportunity to offer testimony in *strong opposition* of HB 1188 which changes the appropriations of money in the Hawai`i Tobacco Settlement Fund to set dollar amounts.

I serve as the Hawai`i Director for the American Lung Association. Our mission is to save lives by improving lung health and preventing lung disease. Central to our mission is working to reducing the harmful health effects of tobacco addiction and use. Our programs help the people of Hawai`i break the addiction to tobacco as well as providing education and resources to prevent youth and young adults from every starting to use tobacco.

We are gravely concerned that HB 1188 could divert current funding for tobacco prevention and cessation programs. Hawai`i currently funds tobacco prevention and control programs at 55% of the amount recommended by the U.S. Centers for Disease Control. Tobacco companies spend nearly \$27 million marketing their deadly products in our state. There is more work we need to do to fight the deadly addiction to tobacco.

Tobacco use remains the leading preventable cause of death in our state and in the country. Smoking causes 1,200 deaths each year in Hawai`i. We can and must do more. Currently, nothing from the cigarette tax or other tobacco product tax is allocated to tobacco prevention and control. Funds from the Tobacco Settlement Special Fund are essential to tobacco prevention and control and help those who are directly affected by tobacco addiction and tobacco marketing. 15,600 kids in Hawai`i try smoking for the first time each year; as a result 1,400 of them become regular smokers each year.¹

The American Lung Association in Hawai`i urges you to vote 'NO' on HB 1188 – the people of Hawai`i deserve better.

Mahalo,



Kim Nguyen, MSW
Executive Director – Hawai`i
American Lung Association of the Mountain Pacific

¹ Hawaii State Department of Health, Tobacco Prevention and Education Program. (2011). *Data Highlights from the 2011 Hawaii Youth Tobacco Survey (YTS) and Comparisons with Prior Years*. Available at http://health.hawaii.gov/about/files/2013/06/2011_HYTS.pdf

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: kathyk323@hotmail.com
Subject: *Submitted testimony for HB1188 on Mar 18, 2015 13:30PM*
Date: Tuesday, March 17, 2015 9:19:34 AM

HB1188

Submitted on: 3/17/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Kathy Kim	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: anthony_orozco@yahoo.com
Subject: *Submitted testimony for HB1188 on Mar 18, 2015 13:30PM*
Date: Tuesday, March 17, 2015 8:21:26 AM

HB1188

Submitted on: 3/17/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Anthony Orozco	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: wintersnicholas@rocketmail.com
Subject: Submitted testimony for HB1188 on Mar 18, 2015 13:30PM
Date: Monday, March 16, 2015 6:00:21 PM

HB1188

Submitted on: 3/16/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Nicholas Winters	Individual	Support	No

Comments: Strongly support hb1188. :)

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: darkkittywhitty@gmail.com
Subject: *Submitted testimony for HB1188 on Mar 18, 2015 13:30PM*
Date: Monday, March 16, 2015 5:38:54 PM

HB1188

Submitted on: 3/16/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Monika Lopez	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



Testimony in **OPPOSITION** to HB 1188, “Relating to the Hawaii Tobacco Settlement Special Fund

The American Heart Association strongly **OPPOSES** HB 1188. This bill, would potentially divert funds currently targeted for tobacco prevention, control and cessation programs, as well as divert other chronic disease prevention funding used by the Department of Health for efforts such as the reduction of obesity, to the State General Fund. The end result, however, would be a likely increase in Medicaid costs to the state due to increases in tobacco-related and obesity-related illnesses and lost productivity. It would potentially cause a reduction in tobacco prevention efforts in the state. It would, in effect, be mortgaging the future health of the state and leave taxpayers to cover future tobacco-related costs (which now total well over a half-billion dollars per year) instead of remaining committed to reducing those costs. It would also likely result in Hawaii taxpayers further subsidizing the profits of the tobacco industry.

The limited funds that the state currently invests in health, and in preventing unhealthy lifestyles, pay off in enormous returns in savings to the state. The limited funding that Hawaii has managed to invest in tobacco prevention has resulted in Hawaii having the third lowest adult smoking rate in the nation, at 13 percent. Smoking among Hawaii youths declined between 2000 and 2013 by 63 percent. Clearly, investing in tobacco prevention and control reaps huge benefits to the state and its taxpayers.

However, tobacco use remains the leading preventable cause of death in our state and in the country, and a leading risk factor for heart disease and stroke. Tobacco use kills more than 400,000 people each year. It is known to cause heart disease, stroke, cancer, and respiratory diseases, among other health disorders, and costs the U.S. \$96 billion in health care expenditures each year. In Hawaii, tobacco-related health care costs are an estimated \$185,972 per person. The amount of income lost per smoker in Hawaii is estimated to be \$270,537.

Nearly 1,000 kids under the age of 18 become regular, daily smokers each day; and almost one-third will die from it.

The U.S. Centers For Disease Control (CDC) recommends that Hawaii needs to invest a minimum of \$13.7 million each year to fund a fully effective, comprehensive tobacco control program. The most that Hawaii has invested since the Tobacco Prevention and Control Trust Fund was established was approximately \$8 million.

At the same time, according to the Federal Trade Commission, the **tobacco companies continue to spend approximately \$27 million each year toward marketing and advertising their deadly products in Hawaii to addict another generation of nicotine users.**

Allocations to the Tobacco Prevention and Control Trust Fund have been significantly cut from the original 25 percent allocation established when the state settled its law suit with tobacco manufacturers to cover the healthcare and other costs to the state caused

*“Building healthier lives,
free of cardiovascular
diseases and stroke.”*

life is why™ es por la vida™ 全为生命™

Please remember the American Heart Association in your will.





by use of the industry's products. During the recent economic downturn Tobacco Settlement dollars flowing into the State Tobacco Prevention and Control Trust Fund were temporarily eliminated requiring the State DOH to spend down the Trust Fund's corpus in order to maintain funding to community tobacco-control programs. The flow of funding into the Trust Fund was partially renewed last year, but currently sits at only 6 ½ percent of the Settlement Funds received from tobacco companies annually. Because the corpus of the Trust Fund has been reduced, should the flow of funds into Trust Fund not be allowed to return to previous levels, community programs that have been successful in reducing tobacco use in Hawaii would need to be reduced or eliminated in order to keep the Trust Fund sustainable long-term.

The structure of the Master Settlement Agreement payments from the tobacco industry to the state are based on national smoking rates. As smokers die, and tobacco-control efforts continue to successfully wean current tobacco users off their addiction and prevent new smokers from starting, payments from the industry to the state will drop, thus making those payments an unstable source of operating income for the state.

During the last decade the AHA was successful in helping to reduce heart disease- and stroke-related deaths by over 30% in Hawaii. Much of the credit for that enormous success is attributed to improvements in the quality of care provided to heart disease and stroke patients, and to reductions in smoking rates. Unfortunately, with the exception of tobacco use, many of the other leading risk factors for cardiovascular diseases actually increased during that decade. If we are to sustain the success we have already achieved, prevention of the leading health risk factors must be the focus. We could easily slip backwards into increasing death rates without a prevention focus. The AHA has established a 10-year 2020 goal to focus on prevention and increase cardiovascular health factors in our population, while reducing heart attack and stroke deaths by an additional 20%. The potential cuts to prevention programs proposed in HB 1188 would work directly against that goal.

Tobacco settlement funds should primarily be used to help those who are affected directly by tobacco addiction and tobacco industry marketing, as well as to help keep future generations from falling into the tobacco industry's trap of lifelong addiction.

The AHA strongly urges opposition to HB 1188 and encourages legislators to work to increase prevention funding to the CDC recommended minimum levels for our state. The state should also adequately fund the Department of Health in its chronic disease prevention efforts.

Respectfully submitted,

Donald B. Weisman
Hawaii Government Relations Director

*"Building healthier lives,
free of cardiovascular
diseases and stroke."*

life is why™ es por la vida™ 全为生命™

Please remember the American Heart Association in your will.





UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented Before the
Senate Committee on Health
Wednesday, March 18, 2015 at 1:30 pm

By

Robert Bley-Vroman, Chancellor

And

Jerris Hedges, MD, MS, MMM

Dean, John A. Burns School of Medicine

Interim Director, University of Hawai'i Cancer Center

University of Hawai'i at Mānoa

HB 1188 – RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND

Chair Green, Vice Chair Wakai, and members of the committee:

The University of Hawai'i strongly opposes HB 1188 as it will negatively impact the health and wellbeing of our citizens.

The purpose of the Tobacco Master Settlement Agreement was to hold tobacco manufacturers accountable for the harm caused by the sale of cigarettes to Hawai'i's citizens. It was intended that tobacco manufacturers bear the financial burden of health-related issues caused by tobacco products. The annual revenues to the State of Hawai'i from tobacco settlement moneys are an important source that funds a number of programs – including the facilities at the University of Hawai'i at Mānoa John A. Burns School of Medicine (JABSOM).

An important factor to consider is that a portion of all tobacco settlement funds have been specifically pledged towards revenue bonds that were sold to construct JABSOM's medical education and administration, research, ancillary, and central plant buildings in 2002. There still remains more than \$125 million in outstanding bonds, much of which will not be fully paid until 2032. The maximum annual debt service over the next 16+ years will be greater than 10,000,000 annually. H.B. 1188 proposes to specify an exact dollar amount as the annual portion of all tobacco settlement funds that would be used for debt service and operations of JABSOM.

The Committee needs to be aware that explicitly leveling tobacco settlement moneys at a level less than is necessary to meet annual debt service is contrary to the original statement to investors when the revenue bonds were sold in 2002, and could be of a significant negative credit rating impact to the outstanding bonds. Furthermore, current JABSOM operations anticipates a revenue pattern of funds from tobacco settlement to meet a portion of annual operating expenses.

Should this Committee move this bill along for further deliberation of the Legislature, the University of Hawai'i recommends that the Committee consider Section 328L-2 (b)(4), HRS, should of be an amount not less than \$13,000,000 in order to satisfy the forward debt service schedule and current operational funding.

At JABSOM we strive to support public health, increase health care access to rural areas and provide financial assistance to physicians who agree to serve in rural and underserved areas. We educate doctors who care for patients with tobacco-related illnesses and incorporate tobacco prevention programs into our courses of study. The tobacco settlement funds also support programs such as residency rotations on the neighbor islands, preparatory studies for students who are socially and financially disadvantaged, and training speech pathologists locally. The current allocation of funds is successfully utilized to their most appropriate and effective use as we train physicians for the **full range of services** needed to address tobacco addictions --- from prevention to cessation, education, outreach and treatment.

The investment that the State makes in the medical school helps not only deliver the tobacco cessation message and thus potentially prevent new injuries, but also helps provide the physicians who directly care for those injured by tobacco use.

Patients are more than 30% more likely to take the tobacco cessation advice of their physicians than other advocates.

The payback to the State for its investment is in helping to ensure there are practitioners in Hawai'i who can care for tobacco-related injury and deliver/reinforce tobacco cessation messages that last for the lifetime of each student's professional career, and touch the lives of tens of thousands of Hawai'i's citizens each year.

Citizens of Hawai'i will suffer the consequences of tobacco use for years after quitting, and no amount of prevention messaging will substitute for the care that our physicians will provide to those with tobacco-related illness.

The investment of the Tobacco Settlement Funds in the medical school is one of the best health bargains the State has today. Placing a dollar-amount cap on the funds will compromise self-sufficiency and sustainability. **We urge this Committee to maintain JABSOM's allocation at its current percentage.**

We respectfully request that this bill be held.

Mahalo for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: jbsestak@prodigy.net
Subject: Submitted testimony for HB1188 on Mar 18, 2015 13:30PM
Date: Tuesday, March 17, 2015 11:22:17 AM

HB1188

Submitted on: 3/17/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Betty Sestak	AAUW - Windward	Oppose	No

Comments: I strongly oppose HB 1188 which would change the appropriation of money in the Hawaii Tobacco Settlement Special Fund to set dollar amounts. HB 1188 has the potential to divert funds currently targeted for tobacco prevention, cessation, and control programs to the State General Fund.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: antonchris10@gmail.com
Subject: *Submitted testimony for HB1188 on Mar 18, 2015 13:30PM*
Date: Sunday, March 15, 2015 5:12:49 PM

HB1188

Submitted on: 3/15/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Anton	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: starjenchan@gmail.com
Subject: *Submitted testimony for HB1188 on Mar 18, 2015 13:30PM*
Date: Sunday, March 15, 2015 12:54:30 PM

HB1188

Submitted on: 3/15/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Jenny Chan	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: konaking@live.com
Subject: Submitted testimony for HB1188 on Mar 18, 2015 13:30PM
Date: Sunday, March 15, 2015 10:43:51 AM

HB1188

Submitted on: 3/15/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Jeff Stevens	Individual	Support	No

Comments: The money needs to be in the general only.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: surfmaster008@gmail.com
Subject: *Submitted testimony for HB1188 on Mar 18, 2015 13:30PM*
Date: Sunday, March 15, 2015 9:33:47 AM

HB1188

Submitted on: 3/15/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Sean Higa	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: jjw333333@gmail.com
Subject: *Submitted testimony for HB1188 on Mar 18, 2015 13:30PM*
Date: Saturday, March 14, 2015 1:50:51 PM

HB1188

Submitted on: 3/14/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Jake J. Watkins	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: bigcoopatroopa@gmail.com
Subject: *Submitted testimony for HB1188 on Mar 18, 2015 13:30PM*
Date: Friday, March 13, 2015 5:16:07 PM

HB1188

Submitted on: 3/13/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Cooper	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

Council Chair
Mike White

Vice-Chair
Don S. Guzman

Presiding Officer Pro Tempore
Michael P. Victorino

Councilmembers
Gladys C. Baisa
Robert Carroll
Elle Cochran
Don Couch
Stacy Crivello
Riki Hokama



Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

March 17, 2015

TO: Honorable Josh Green, Chair
Senate Committee on Health

Honorable Jill N. Tokuda, Chair
Senate Committee Ways and Means

FROM: Councilmember Gladys C. Baisa

A handwritten signature in cursive script that reads "Gladys C. Baisa".

SUBJECT: **HEARING MARCH 18, 2015; TESTIMONY IN SUPPORT OF HB 1188,
RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND.**

Thank you for the opportunity to testify in **opposition** of this important measure. The purpose of this measure changes appropriations of money in the Hawaii tobacco settlement fund to set dollar amount.

I **strongly oppose** this measure for the following reasons:

1. The purpose of the Tobacco Master Settlement Agreement was to hold tobacco manufacturers accountable for the harm caused by the sale of cigarettes to Hawaii's citizens. It was intended that tobacco manufacturers bear the financial burden of health-related issues caused by tobacco products. The annual revenues to the State of Hawaii from tobacco settlement moneys are an important source that funds a number of programs.
2. It is important that the state continue to invest in educational programs, programs to prevent chronic diseases and to promote smoking cessation. This legislation, by setting dollar amounts, would essentially create a block grant program where the set funding would cover fewer and fewer services every year. This could mean that agencies will be unable to provide critical programs and services that benefit the health and welfare of our entire state.

For the foregoing reasons, I **strongly oppose** this measure.

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: kkburdt@gmail.com
Subject: *Submitted testimony for HB1188 on Mar 18, 2015 13:30PM*
Date: Tuesday, March 17, 2015 12:46:34 PM

HB1188

Submitted on: 3/17/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Kristen Koba-Burdtd	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: bburd3@gmail.com
Subject: *Submitted testimony for HB1188 on Mar 18, 2015 13:30PM*
Date: Tuesday, March 17, 2015 12:45:59 PM

HB1188

Submitted on: 3/17/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Burdt	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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: kglick@wheelchair-kauai.com
Subject: Submitted testimony for HB253 on Mar 18, 2015 13:30PM
Date: Tuesday, March 17, 2015 1:00:59 PM

HB253

Submitted on: 3/17/2015

Testimony for HTH on Mar 18, 2015 13:30PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin Glick	Individual	Support	No

Comments: Hawaii Community Pharmacists Association strongly supports this legislation as an important public health issue. We would suggest the following change in wording: SECTION 3. Section 461-11.4, Hawaii Revised Statutes, is amended as follows: 1. By amending the title and subsections (a) and (b) to read: "[[] §461-11.4[] Influenza vaccinations;] Vaccinations; children. (a) A pharmacist may administer a vaccine to persons between fourteen and seventeen years of age pursuant to a valid prescription or as specifically noted in a collaborative agreement. The pharmacist shall verify that the prescriber or the prescriber's authorized agent is the patient's medical home, unless administered pursuant to a collaborative agreement.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov