

HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Quality Healthcare For All"

House Committee on Health
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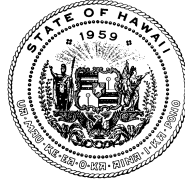
February 6, 2015
Conference Room 329
8:40 a.m.
Hawaii State Capitol

Testimony Supporting House Bill 1373, Relating to Leahi Hospital

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawaii Health Systems Corporation

The HHSC Corporate Board **supports the intent** of HB 1373. This measure directs that the Department of Health to convene a working group to plan for the transfer of land to the HHSC Corporation. We support efforts to maximize the value of the properties addressed in this measure but defer to the Oahu Region regarding existing plans and to the Department of Health for their role.

Thank you for the opportunity to testify.



STATE OF HAWAII
DEPARTMENT OF HEALTH
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Honolulu, HI 96801-3378
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**Testimony COMMENTING on HB1373
RELATING TO LEAHI HOSPITAL**

REPRESENTATIVE DELLA BELATTI, CHAIR
HOUSE COMMITTEE ON HEALTH

Hearing Date: February 6, 2015

Room Number: 329

WRITTEN ONLY

1 **Fiscal Implications:** None.

2 **Department Testimony:** The Department of Health shares the Legislature's concerns about the
3 best use of Hawaii's public health and healthcare resources, but does not have enough
4 information to corroborate:

- 5 1. The premise that the current multi-agency management of the parcels is inefficient, and
6 2. The subsequent conclusion that transfer to the Hawaii Health Systems Corporation is the
7 optimal solution.

8 The department respectfully recommends amending HB1373 to include within the scope of the
9 working group an analysis of the costs and benefits of the current arrangement and to explore
10 multiple options, including preserving the status quo.

11 **Offered Amendments:**

12 Page 2, Section 2

13 SECTION 2. (a) The department of health shall convene a
14 working group to analyze the costs and benefits of the current
15 system of multiple entities having jurisdictional control over
16 the Leahi hospital campus and to submit recommendations that
17 maximize the public health potential and economic viability of

1 the parcels, which may include [~~develop~~] development of a plan
2 to transfer all parcels of land currently contained within the
3 Leahi hospital campus to the Hawaii health systems corporation.



OAHU REGION

LEAHI HOSPITAL - MALUHIA

HAWAII HEALTH SYSTEMS CORPORATION

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House Committee on Health
Representative Della Au Belatti, Chair
Representative Richard P. Creagan, Vice Chair

Friday, February 6, 2015
Conference Room 329
8:40 a.m.
Hawaii State Capitol

Testimony Supporting House Bill 1373. Establishes a working group to formulate a plan for the transfer of all parcels of land contained within the Leahi Hospital campus to the Hawaii Health Systems Corporation.

Derek Akiyoshi
Chief Executive Officer
Hawaii Health Systems Corporation – Oahu Region

On behalf of the Hawaii Health Systems Corporation – Oahu Region, thank you for the opportunity to present testimony in support of HB 1373.

In 2013, the legislature appropriated \$1,500,000 towards the development of a Master Plan for the Leahi Hospital campus to determine how best to utilize the Leahi Hospital campus to address the future long-term services and support needs of the community. In 2012, a conceptual rendering entitled “Leahi Campus Master Plan” was developed and encompasses our future vision for the utilization of this property. A copy of the plan is attached hereto and incorporated by reference herein for your perusal.

In order for the proposed projects in the master plan to become a reality, it is essential that the land on which the Leahi Campus is presently situated be consolidated under the jurisdictional control of a single entity – Oahu Region.

Towards this end, the Oahu Region is in accord with the intent and substance of HB 1373 which proposes to establish a working group to develop of a plan to transfer all parcels of land to the Hawaii Health Systems Corporation.

To provide some background information on the land on which Leahi Hospital is currently situated, in 1996, the legislature passed Act 262 which established Section 323F, Hawaii Revised Statutes, which created the Hawaii Health Systems Corporation (“HHSC”). All facilities previously operated by the Department of Health’s Division of

Community Hospitals, and the land on which they are situated, were transferred to HHSC. The only exception to this transfer was the land on which Leahi Hospital is presently situated and other adjacent parcels. The Leahi parcel remained under the management and control of the Department of Health.

Subsequently, by executive order no. 3795, dated September 22, 1999, the Leahi parcel and adjacent parcels were transferred to the management and control of the University of Hawaii at Manoa. While the University of Hawaii holds the fee interest in these parcels, HHSC has a master lease for the property which expires in 2025.

In 2006, 2007, 2008, and 2010, the legislature introduced measures, primarily concurrent resolutions, calling for the development of a master plan for the Leahi parcels to rejuvenate the site to better meet the long term care needs of the community.

In 2008, the legislature amended Section 323F, HRS by creating regional system boards and mandated the transfer of facilities and all other assets to the management and control of these regional boards.

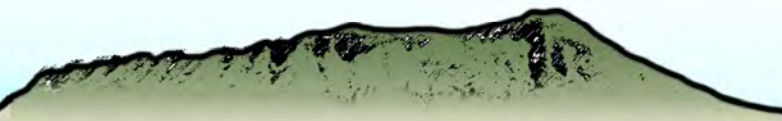


LEAHI HOSPITAL

“A Center of Excellence for
Long-Term Care”

Master Plan Proposal

August 2012



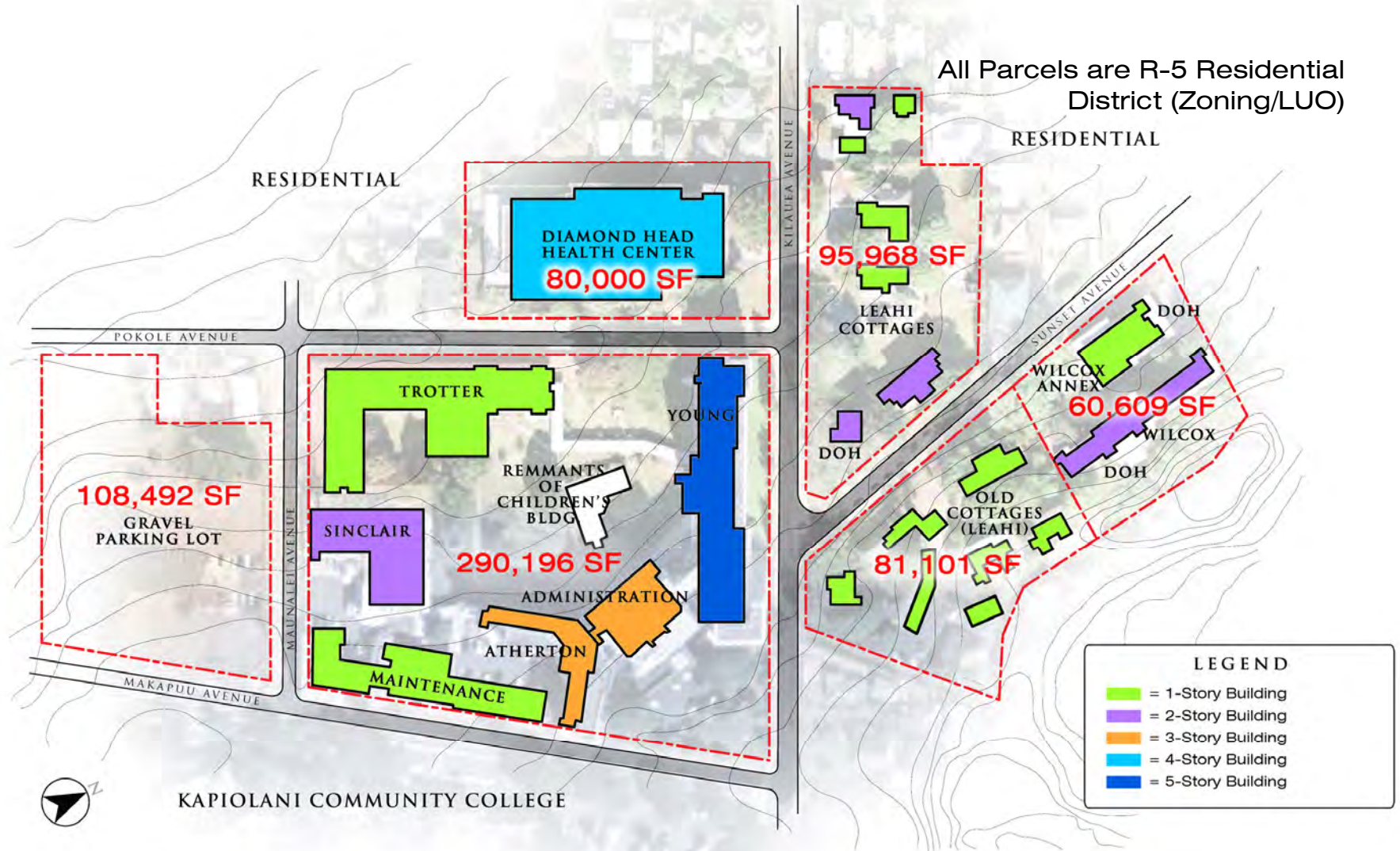


Vision for the Future

CENTER OF EXCELLENCE

- A “ State of the Art” Facility to Support Long-Term Care
- Expand & Extend Traditional Long-Term Care Services
- “Incubator” for Innovative Practices, Training & Education, Alternative/ Complementary Practices
- Supports Practicum Training for Health Professionals
- Synergy with Surrounding Environment & Activities





Parcel Area (sf)



LEGEND

- = University of Hawai'i Land
- = University of Hawai'i Land Leased by DOH
- = State of Hawai'i Land, Set Aside for UH by Executive Order, leased to HHSC
- = State of Hawai'i land, Set Aside for UH by Executive Order, leased to DOH



Property Division





Vision for the Future

NEW ACTIVITIES

Expand traditional long-term care services
& integrate with the community

- Caregiver Respite (evenings & overnight accommodations)
- New Memory Care Unit
- “Meals on Wheels” Home Delivery Service
- Independent Assisted Living



Vision for the Future

NEW ACTIVITIES (cont.)

Adult Day Health

- Restorative care – maximize the potential for individuals to live at home outside of the institutional environment
- Community Health Resource Center
- Regular health checks
- Traditional Hawaiian healing and care
- Adult Referral Center for geriatric care



Vision for the Future

NEW ACTIVITIES (cont.)

“Incubator” for Innovative Practices

- Integration with alternative/ complementary medicine
- Pain Management
- Dementia care and behavior management
- Transition to “patient centered” care as envisioned in the Patient Protection and Affordable Care Act



Vision for the Future

PARTNERSHIP OPPORTUNITIES

- Community Development - Improve appearance, access and diversify activities at Leahi
- Support Performing Arts and provide patients opportunities to enjoy them
- Health Academy for elementary, intermediate and high school students to learn about aging and geriatric care
- Center for Research on Aging, memory care and best practices



Vision for the Future

PARTNERSHIP OPPORTUNITIES (cont.)



- Teaching center for KCC, University of Hawaii School of Nursing, John A. Burns School of Medicine and other institutions for higher education
- Extension of KCC's Culinary Arts Institute focusing on health and nutrition
- Training for allied health professionals for KCC (e.g., nursing, emergency medical services, physical therapy, etc.)
- Creates opportunities to collaborate with KCC in meeting HHSC's training needs (e.g., EMR training)



Master Plan Development

Realizing the Vision for the Future

- Remove jurisdictional issues by transferring property to HHSC
- Acquire funding for plan development
- Establish partnerships
- Evaluate existing condition of facility and address staff/stakeholder concerns
- Prioritize program/scope of work
- Create phasing timeline to implement development
- Develop master plan options and select best option to pursue

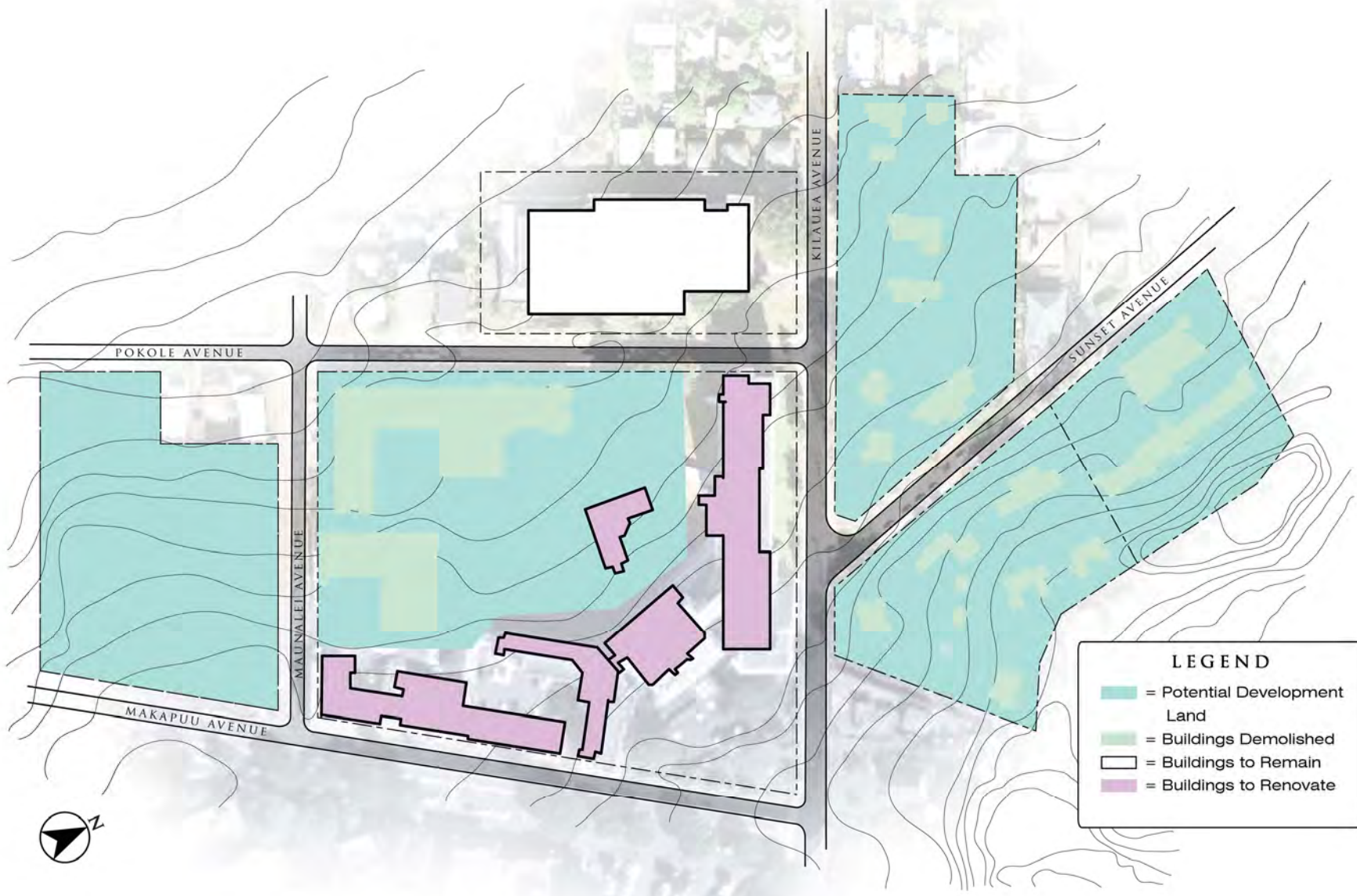


Master Plan Development

Operational Needs

- Create efficient, cost-effective facilities
- Decrease energy demand
- Reduce maintenance costs
- Reduce CIP requirements
- Maintain/relocate operations during construction/renovations
- Improve technology and allow for adaptability to future changes



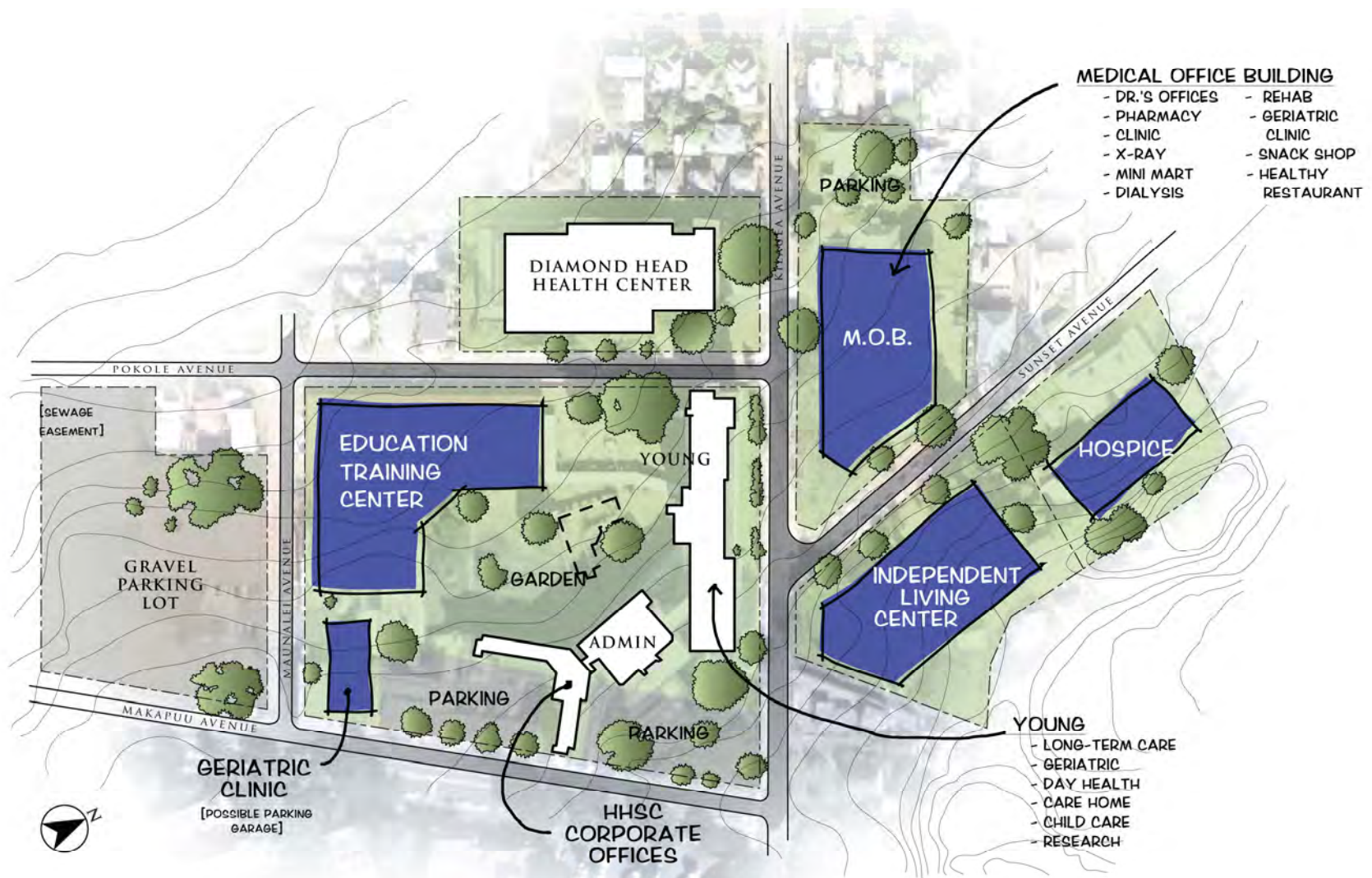


LEGEND

- = Potential Development Land
- = Buildings Demolished
- = Buildings to Remain
- = Buildings to Renovate

Potential Development





Potential Development





UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Health
February 6, 2015 at 8:40am

by

Jan Gouveia

Vice President for Administration, University of Hawai'i

HB 1373 – RELATING TO LEAHI HOSPITAL

Chair Belatti, Vice Chair Creagan, and members of the committee:

Thank you for the opportunity to testify on HB 1373, which would direct the transfer of certain parcels of land, one of which is occupied by Leahi Hospital, from the University of Hawai'i (UH) to the Hawai'i Health Systems Corporation (HHSC) and establish a working group to formulate a plan for the transfer. UH is open to discussion with HHSC, the Department of Health (DOH), and other stakeholders regarding these lands and would be happy to participate in a working group for this purpose. However, UH does not believe that it is appropriate to mandate land transfers before such discussion has taken place, and is strongly opposed to any transfer of one of the parcels adjacent to Leahi Hospital. UH therefore opposes the bill in its current form.

Initially, we note that the bill's reference to four parcels is unclear. UH currently owns six parcels in the area addressed by the bill, as shown on the attached map. Parcel A, which is occupied by Leahi Hospital, is leased to HHSC under a 25 year lease expiring in 2027. Parcel 2, which is adjacent to Parcel A on Kilauea Avenue, is leased to the Department of Health until 2041 and occupied by the Diamond Head Health Center. Parcel B and Parcels 3 and 4 are located across Kilauea Avenue from Leahi Hospital on either side of Sunset Avenue. These parcels are currently occupied and used by DOH and HHSC but do not have ground leases from the University. Finally, Parcel 1 is a vacant parcel adjacent to Leahi Hospital along Makapu'u Avenue, across from the Kapi'olani Community College (KCC) campus, and currently used in part as a gravel parking area. Parcels A and B are held by UH under Executive Order, and Parcels 1, 2, 3, and 4 were acquired by UH through eminent domain.

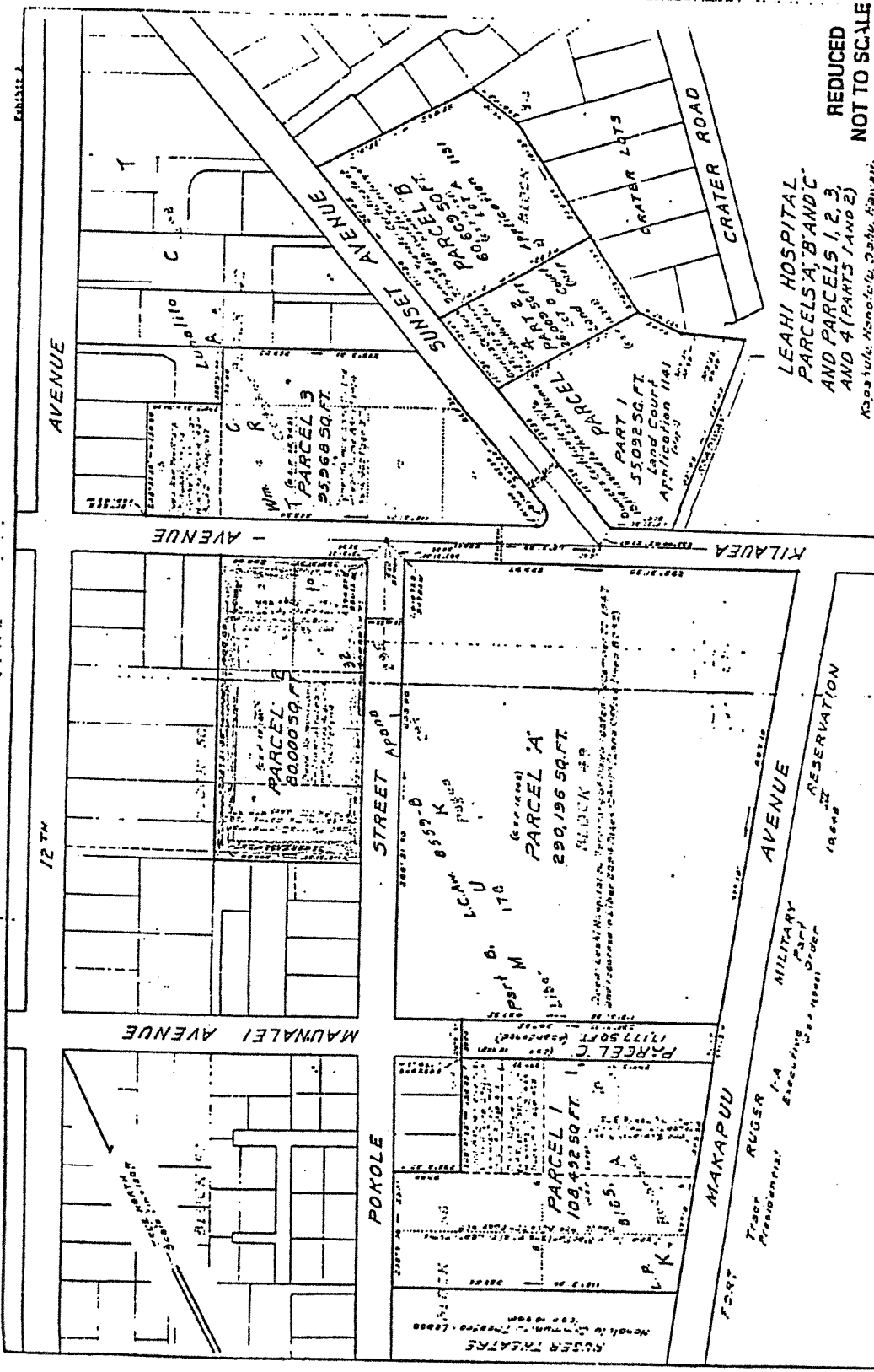
Parcel 1 is included in KCC's Long Range Development Plan for future classrooms and other campus use. KCC serves over 7500 students and is UH's largest community college by enrollment. UH is strongly opposed to any transfer of Parcel 1, as KCC's current campus offers little other potential for expansion to serve future enrollment.

UH is open to discussion regarding the other five parcels. KCC currently uses some space at Leahi Hospital for educational purposes, and there have been productive discussions regarding additional opportunities for collaboration. Those opportunities should be part of the discussion, as should opportunities for mutually beneficial land swaps involving other lands currently controlled by DOH or HHSC.

UH notes that HHSC had previously scheduled a meeting with UH leadership in July, 2013, to discuss HHSC's interest in acquiring the Leahi Hospital site. That meeting was canceled when HHSC's then-CEO was terminated and was never rescheduled. UH would be happy to resume direct conversations with leadership of HHSC and DOH at any time regarding these matters. Such discussion may be more efficient than enactment of legislation and subsequent appointment of a formal working group.

For these reasons, UH opposes HB 1373 in its current form and asks that the measure either be amended to delete language mandating land transfer and provide only for the formation of a working group, or held pending further discussion among HHSC, DOH, and UH.

Thank you for the opportunity to testify on this matter.



LEAHI HOSPITAL
 PARCELS A, B AND C
 AND PARCELS 1, 2, 3,
 AND 4 (PARTS 1 AND 2)
 Area 1/4, Honolulu, Oahu, Hawaii.
 Scale - 1 inch = 100 feet

REDUCED
 NOT TO SCALE

JOB 0-4388
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Survey Division
 DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
 STATE OF HAWAII
 J.T. 10 17 10

creagan1 - Dannah

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 04, 2015 10:10 AM
To: HLTtestimony
Cc: kukana77@yahoo.com
Subject: *Submitted testimony for HB1373 on Feb 6, 2015 08:40AM*

HB1373

Submitted on: 2/4/2015

Testimony for HLT on Feb 6, 2015 08:40AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Lee	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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