



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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Rep. Andria P. L. Tupola

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

Testimony Opposing House Bill 1420, Relating to the Hawaii Health Systems Corporation

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

The HHSC Corporate Board **opposes** HB 1420. This measure removes the Regional Boards and places all authority and decision making with the Corporate Board. The current composition of the Corporate Board and the continuation of the Regional Boards to manage healthcare services in their communities is preferred. We respectfully ask that this measure be deferred.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 04, 2015 9:24 PM
To: HLTtestimony
Cc: psgegen@hotmail.com
Subject: Submitted testimony for HB1420 on Feb 6, 2015 08:40AM

HB1420

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
pat gegen	Kauai Regional Board - HHSC	Oppose	No

Comments: The Kauai Regional Board opposes this consolidation of HHSC and the removal of the governance by local boards.

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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TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON HEALTH
ON
HOUSE BILL NOS. 1075, 1112, 1145, 1146, 1254, AND 1420

February 6, 2015

RELATING TO HAWAII HEALTH SYSTEMS CORPORATION

The following measures on this agenda all attempt to address in various different ways the issue of facilitating sustainability of the Hawaii Health Systems Corporation (HHSC):

- House Bill (H.B.) No. 1075 authorizes the Maui Regional System to enter into an agreement with a private entity to transition one or more of its facilities into a new private Hawaii nonprofit corporation.
- H.B. No. 1112 establishes a process for determining whether the health care services provided by HHSC, or one or more of its regional health care systems, can be delivered more cost-effectively by partnering with a private health care management system.
- H.B. No. 1420 repeals the regional system boards of HHSC and increases the size of the HHSC board and changes its composition.
- H.B. No. 1254 repeals HHSC and re-establishes the Division of Community Hospitals under the Department of Health.
- H.B. No. 1146 creates seven separate collective bargaining units for employees of HHSC.
- H.B. No. 1145 authorizes HHSC to mortgage its real property and clarifies the dollar cap on municipal leasing authority.

The Department of Budget and Finance supports the general intent of transitioning HHSC into “a more economically efficient system of health care delivery.” The issues involved in facilitating HHSC sustainability are complex and multifaceted. For this reason, we would recommend moving all of these bills along to enable further discussion and deliberation.

The Ige Administration will work with the applicable committees during the course of this session to attempt to develop a realistic and workable framework for moving forward to ensure that vital health care services will be provided either through a restructured HHSC or some other appropriate entity.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

**The Twenty-Eighth Legislature, State of Hawaii
House of Representatives
Committee on Health**

**Testimony by
Hawaii Government Employees Association
February 6, 2015**

**H.B. 1075, H.B. 1112, H.B. 1420, H.B. 1254 –
RELATING TO THE HAWAII HEALTH SYSTEMS
CORPORATION**

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 1420 which recentralizes the Hawaii Health Systems Corporation and provides for the Auditor to complete a full financial and management audit of the System. These initial steps are critical and vitally important in accurately assessing the HHSC's current financial state and ensuring that appropriated funds are being prudently spent. The full financial and management picture must be thoroughly and independently assessed prior to the Legislature acting on any of the other aforementioned bills, H.B. 1075, H.B. 1112, and H.B. 1254, which authorizes privatization, establishes a process to determine if the System should privatize, and reestablishes the division of community hospitals under the Department of Health, respectively.

We raise serious reservations and grave concerns over proposed legislation to rapidly privatize the safety net hospital system: it is a risky and dangerous proposition, which may cause irreversible harm to our community. It is unrealistic to believe that Maui County's population of 144,000 residents can sustain similar utilization as Oahu's population of 953,000, without an exorbitant and perpetual state subsidy, a severe reduction of services, or a combination of both. Any type of private acquisition will rely heavily on tax payers' dollars to support the System, while the Legislature relinquishes its oversight on how those tax dollars are spent and cannot guarantee that the private operator remain.

Advancing legislation that enables privatization, without fully assessing the System's financial and management situation is premature. We respectfully implore the Legislature to judiciously complete its due diligence, ensure satisfactory answers to all of its questions, and exhaust every avenue prior to fracturing and selling a portion of the state's assets. We cannot afford any lesser degree of scrutiny or the potential of a failed experiment when it comes to delivering critical safety net services.

Thank you for the opportunity to provide testimony on the aforementioned bills.

Respectfully submitted,

**Randy Perreira
Executive Director**

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 04, 2015 9:17 PM
To: HLTtestimony
Cc: alibaba@hawaii.rr.com
Subject: Submitted testimony for HB1420 on Feb 6, 2015 08:40AM

HB1420

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
Alistair Bairos	Individual	Oppose	No

Comments: This bill is a wholly preposterous set of recommendations that would seek to turn back the clock to a time when very, very little about the statewide system of community hospitals worked well. What is needed to thrive in 2015 and beyond is the expertise of a highly functioning healthcare system, and which is not to be found in the DoH or a 13 member central board.

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 05, 2015 12:49 PM
To: HLTtestimony
Cc: janef808@yahoo.com
Subject: Submitted testimony for HB1420 on Feb 6, 2015 08:40AM

HB1420

Submitted on: 2/5/2015

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

Submitted By	Organization	Testifier Position	Present at Hearing
Jane Furtado	Individual	Oppose	No

Comments: Each region is DIFFERENT! We are on an island with a different reimbursement population than Oahu or Maui. A corporation based in Oahu has not proven any economies of scale. Take a look at the EMR fiasco. At least Hilo is ahead of the game (as usual) and has been able to benefit from meaningful use. Cost accounting has just been added. We will be doing nothing but improving. DON'T GO BACKWARDS! This is a bad proposal. Our board members are local and very much involved. LISTEN TO THEM!!

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Napualani Young

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 05, 2015 8:35 PM
To: HLTtestimony
Cc: goodhone@gmail.com
Subject: Submitted testimony for HB1420 on Feb 6, 2015 08:40AM

HB1420

Submitted on: 2/5/2015

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

Submitted By	Organization	Testifier Position	Present at Hearing
Virgil Medeiros	Individual	Support	No

Comments: I strongly support the passage of HB1420.

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From: Susie Uwekoolani <susieuwekoolani@gmail.com>
Sent: Thursday, February 05, 2015 4:45 PM
To: HLTtestimony
Subject: HB 1420

I support this bill wholeheartedly. As an employee of HHSC I see the duplication of services which is duplication of waste. There should be only one "Boss" not multiply bosses. When each region went separate they made their own decisions. Sometimes it meant different policies or different equipment. So now Hilo has a different computer system from everyone else. Hilo was set up as the IT place. Now it's being moved to O'ahu. How did all that save monies for the computer system? Mahalo, Barbara Uwekoolani RN, Kahului, Maui