

STATE OF HAWAII  
**DEPARTMENT OF HUMAN SERVICES**

P. O. Box 339  
Honolulu, Hawaii 96809-0339

March 21, 2016

TO: The Honorable Dee Morikawa, Chair  
House Committee on Human Services

FROM: Rachael Wong, DrPH, Director

SUBJECT: **SB2396 SD 2 - RELATING TO LONG -TERM CARE FACILITIES**  
Hearing: Tuesday March 22, 2016; 10:00 a.m.  
Conference Room 329, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the opportunity to testify on this bill and provides comments.

**PURPOSE:** The purpose of this bill is to preserve access to health care for Medicaid recipients by providing an inflationary adjustment to the long term care reimbursement methodology used to reimburse facilities for Medicaid recipients.

This measure requires an inflationary adjustment statutorily for long term care facilities for one fiscal year. While we appreciate the intent of this measure, the Department is concerned that fixing the rate increase may adversely impact priorities of the Executive Budget. If the legislature were to consider the increase, the DHS respectfully requests that the increase be appropriated through the Executive Budget rather than mandating the rate increase through statute.

Providing the additional appropriation through the Executive Budget would allow for the submission and approval by the Centers for Medicare and Medicaid Services (CMS) of a State Plan Amendment to provide the adjustment for one year. Any rate adjustment for Medicaid can only be provided prospectively upon approval by CMS.

While the annual inflationary adjustment for the Medicaid program is currently suspended, the nursing facilities participating in the Nursing Facility Sustainability Program this

past year were assessed \$12,664,398 in fees and received \$26,797,862 in additional reimbursements for a net benefit of \$13,629,227.

Thank you for the opportunity to testify on this measure.

**March 22, 2016 at 10:00 AM**  
**Conference Room 329**

**House Committee on Human Services**

To: Chair Dee Morikawa  
Vice Chair Bertrand Kobayashi

From: Amy Lee  
Administrator  
Aloha Nursing Rehab Centre

Re: **Testimony in Support**  
**SB 2396 SD 2, Relating to Long-Term Care Facilities**

Aloha Nursing Rehab Centre is a 141-bed Skilled Nursing Facility located in Kaneohe, ministering to the needs of 450 seniors and their families annually and employing 190 dedicated staff. For thirty years, Aloha Nursing has been contributing positively to the community and to the state economy.

Aloha Nursing Rehab Centre would like to thank the committee for the opportunity to **support** SB 2396 SD 2. This legislation would provide relief to long-term care facilities (LTC) in Hawaii by increasing their Medicaid rates through a modest inflationary update in fiscal year 2017 that would require less than \$2 million in funding that would be matched with federal dollars.

Despite being a State Medicaid Plan requirement, annual inflationary updates have not been paid by Medicaid essentially since 2009 (except when a partial adjustment was provided in 2011). The lack of inflationary updates has left nursing facilities with reimbursements locked in at 2009 rates at a time when, seven years later, operating costs for wages, health insurance and utilities have increased significantly. Without proper inflationary adjustments to reimbursements, nursing facilities must face the difficult choice of declining patient admissions and/or shutting down services to remain financially viable. This will have a significant impact to Hawaii's broader health care system as these patients would then remain in acute hospital beds awaiting placement in alternative care settings.

According to data prepared by the Healthcare Association of Hawaii, the suspension of inflationary updates since 2009 has resulted in nearly \$78 million in lost reimbursement for the care of our seniors. Of this amount, roughly \$41 million are foregone federal matching funds which could have been drawn down for the benefit of serving our seniors.

During the past seven years, Aloha Nursing has continued to provide quality of care to our residents as well as maintained our facility to ensure residents are cared for in a safe environment. This has come with significant sacrifices on behalf of our company in terms of profits, suffering losses for most of the past seven years. Employee wages have also remained flat. We cannot continue to operate and be financially viable if DRI is not restored.

We desperately need this measure to continue to provide for the frail, vulnerable seniors and convalescent disabled in our community in a manner they deserve. Thank you for the opportunity to submit testimony on this critical legislation.

**kobayashi2-Jessi**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, March 18, 2016 2:53 PM  
**To:** HUS testimony  
**Cc:** ecabatu@hhsc.org  
**Subject:** Submitted testimony for SB2396 on Mar 22, 2016 10:00AM

**SB2396**

Submitted on: 3/18/2016

Testimony for HUS on Mar 22, 2016 10:00AM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Elena Cabatu	East Hawaii Region of Hawaii Health Systems Corporation	Support	No

Comments: On behalf of the East Hawaii Region of Hawaii Health Systems Corporation, consisting of Hilo Medical Center, Hale Ho`ola Hamakua, Ka`u Hospital and our 1,300 employees, please accept our organization's support for SB 2396. Mahalo!

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](mailto:webmaster@capitol.hawaii.gov)

**March 22, 2016 at 10:00 AM**  
**Conference Room 329**

**House Committee on Human Services**

To: Chair Dee Morikawa  
Vice Chair Bertrand Kobayashi

From: Alisa Racelo  
Administrator  
Ann Pearl Rehabilitation and Healthcare

Re: **Testimony in Support**  
**SB 2396 SD 2, Relating to Long-Term Care Facilities**

Ann Pearl Rehabilitation and Healthcare Center, is a 104 bed skilled nursing facility in business for over 50 years.

I would like to thank the committee for the opportunity to testify in **support** of SB 2396 SD 2. This legislation would provide relief to long-term care facilities (LTC) in Hawaii by increasing their Medicaid rates through a modest inflationary update in fiscal year 2017 that would require \$1.9 million in funding that would be matched with federal dollars.

LTC providers in Hawaii have gone without an inflationary increase to their Medicaid rates since 2009, despite rising costs and greater regulatory requirements over the years. This legislation would provide some relief for these providers by increasing Medicaid reimbursements slightly to reflect inflation. Our facility has over 70 percent of our patients covered by Medicaid. Because of the high enrollment of Medicaid patients, the operational costs that our facility experience is not sustainable, but could be offset through the provision of the inflationary update. Moreover, providing this inflationary update will benefit the entire continuum of care in the state by supporting struggling state facilities and helping to address the waitlist issue that hospitals continuously struggle with.

The most immediate impact of providing this modest increase will be relief to LTC providers in the state. Because the costs of serving patients have increased without an attendant increase in reimbursements, facilities are having to cut back on services and perquisites. Front-line medical staff in these facilities have experienced stagnant wages or reduced benefits, leading to trained, experienced staff seeking employment elsewhere. Administrators are also struggling to provide wage updates required in contracts or by the state-wide minimum wage increase. Other facilities have cut back on maintenance in order to meet unfunded federal and state mandates, such as keeping a primary care physician on staff or installing electronic health records. Reduction in services is also affecting state facilities, namely Leahi Hospital and Maluhia nursing home. As reported in the news, both of those facilities are experiencing significant financial difficulties that would be mitigated through the provision of this inflationary update.

These reductions in service in turn exacerbate the current waitlist issue at Hawaii hospitals. A patient is waitlisted when they no longer require an acute level of care but cannot be placed in an

appropriate facility offering sub- or post-acute care. As a result, patients who do not need to be in the hospital end up staying for extended periods of time. Waitlisting patients is very costly for the health care system since patients are receiving care in the most expensive setting. It also means that patients needing an acute level of care may not be able to access a hospital bed in an emergency.

Investing in our LTC facilities is critical. The conventional wisdom holds that, since Hawaii has the fastest-aging population in the nation, this funding is needed to ensure to help ensure that seniors maintain access to services. This remains true. However, it should also be noted that LTC facilities are increasingly taking care of the non-elderly. We have seen a change in the demographics at their facilities. Now, we are treating more working age individuals who are recovering from substance abuse or who lack supportive services that are social determinants of health. For example, we care for homeless individuals experiencing serious, but not acute, medical issues.

This legislation presents a common-sense way to use available federal resources and support our growing senior population. Passage of this program is critical in helping Hawaii's nursing facilities *mitigate* their Medicaid losses. It is important to note that not all of the losses incurred by nursing facilities caring for Medicaid enrollees are made up for by other programs, such as the Nursing Facility Sustainability Program. In fact, in 2015, the industry-wide Medicaid shortfall for nursing facilities was \$16.5 million even after the nursing facility sustainability program was taken into account. This means that Hawaii facilities are facing a payment shortfall of approximately \$20 a day per Medicaid patient even with other efforts to mitigate their losses.

We appreciate your consideration of this important matter and urge your support of this measure.



**March 22, 2016 at 10:00 AM**  
**Conference Room 329**

**House Committee on Human Services**

To: Chair Dee Morikawa  
Vice Chair Bertrand Kobayashi

From: Kurt Akamine  
Administrator  
Garden Isle Healthcare & Rehabilitation

**Re: Testimony in Support**  
**SB 2396 SD 2, Relating to Long-Term Care Facilities**

Garden Isle Healthcare & Rehabilitation (Garden Isle) is a 109 skilled nursing facility serving the island of Kauai.

I would like to thank the committee for the opportunity to testify in **support** of SB 2396 SD 2. This legislation would provide relief to long-term care facilities (LTC) in Hawaii by increasing their Medicaid rates through a modest inflationary update in fiscal year 2017 that would require \$1.9 million in funding that would be matched with federal dollars.

LTC providers in Hawaii have gone without an inflationary increase to their Medicaid rates since 2009, despite rising costs and greater regulatory requirements over the years. This legislation would provide some relief for these providers by increasing Medicaid reimbursements slightly to reflect inflation. Our facility has over 60 percent of our patients covered by Medicaid. Because of the high enrollment of Medicaid patients, the operational costs that our facility experiences is not sustainable, but could be offset through the provision of the inflationary update. Moreover, providing this inflationary update will benefit the entire continuum of care in the state by supporting struggling state facilities and helping to address the waitlist issue that hospitals continuously struggle with.

The most immediate impact of providing this modest increase will be relief to LTC providers in the state. Because the costs of serving patients have increased without an attendant increase in reimbursements, facilities are having to cut back on services and perquisites. Front-line medical staff in these facilities have experienced stagnant wages or reduced benefits, leading to trained, experienced staff seeking employment elsewhere. Administrators are also struggling to provide wage updates required in contracts or by the state-wide minimum wage increase. Other facilities have cut back on maintenance in order to meet unfunded federal and state mandates, such as keeping a primary care physician on staff or installing electronic health records. Reduction in services is also affecting state facilities, namely Leahi Hospital and Maluhia nursing home. As reported in the news, both of those facilities are experiencing significant financial difficulties that would be mitigated through the provision of this inflationary update. Securing this inflationary update would be very beneficial for neighbor island providers such as Garden Isle to ensure that residents have access to needed long-term care services.



These reductions in service in turn exacerbate the current waitlist issue at Hawaii hospitals. A patient is waitlisted when they no longer require an acute level of care but cannot be placed in an appropriate facility offering sub- or post-acute care. As a result, patients who do not need to be in the hospital end up staying for extended periods of time. Waitlisting patients is very costly for the health care system since patients are receiving care in the most expensive setting. It also means that patients needing an acute level of care may not be able to access a hospital bed in an emergency.

Investing in our LTC facilities is critical. The conventional wisdom holds that, since Hawaii has the fastest-aging population in the nation, this funding is needed to ensure to help ensure that seniors maintain access to services. This remains true. However, it should also be noted that LTC facilities are increasingly taking care of the non-elderly. We have seen a change in the demographics at their facilities. Now, we are treating more working age individuals who are recovering from substance abuse or who lack supportive services that are social determinants of health. For example, we care for homeless individuals experiencing serious, but not acute, medical issues.

This legislation presents a common-sense way to use available federal resources and support our growing senior population. Passage of this program is critical in helping Hawaii's nursing facilities *mitigate* their Medicaid losses. It is important to note that not all of the losses incurred by nursing facilities caring for Medicaid enrollees are made up for by other programs, such as the Nursing Facility Sustainability Program. In fact, in 2015, the industry-wide Medicaid shortfall for nursing facilities was \$16.5 million even after the nursing facility sustainability program was taken into account. This means that Hawaii facilities are facing a payment shortfall of approximately \$20 a day per Medicaid patient even with other efforts to mitigate their losses.

We appreciate your consideration of this important matter and urge your support of this measure.



**March 22, 2016 at 10:00 AM**  
**Conference Room 329**

**House Committee on Human Services**

To: Chair Dee Morikawa  
Vice Chair Bertrand Kobayashi

From: Lornette Correa  
Administrator  
Puuwai O Makaha

Re: **Testimony in Support**  
**SB 2396 SD 2, Relating to Long-Term Care Facilities**

Hale Kupuna Heritage Home is a 84 bed skilled nursing facility serving the island of Kauai.

I would like to thank the committee for the opportunity to testify in **support** of SB 2396 SD 2. This legislation would provide relief to long-term care facilities (LTC) in Hawaii by increasing their Medicaid rates through a modest inflationary update in fiscal year 2017 that would require \$1.9 million in funding that would be matched with federal dollars.

LTC providers in Hawaii have gone without an inflationary increase to their Medicaid rates since 2009, despite rising costs and greater regulatory requirements over the years. This legislation would provide some relief for these providers by increasing Medicaid reimbursements slightly to reflect inflation. Our facility has almost 90 percent of our patients covered by Medicaid. Because of the high enrollment of Medicaid patients, the operational costs that our facility experiences is not sustainable, but could be offset through the provision of the inflationary update. Moreover, providing this inflationary update will benefit the entire continuum of care in the state by supporting struggling state facilities and helping to address the waitlist issue that hospitals continuously struggle with.

The most immediate impact of providing this modest increase will be relief to LTC providers in the state. Because the costs of serving patients have increased without an attendant increase in reimbursements, facilities are having to cut back on services and perquisites. Front-line medical staff in these facilities have experienced stagnant wages or reduced benefits, leading to trained, experienced staff seeking employment elsewhere. Administrators are also struggling to provide wage updates required in contracts or by the state-wide minimum wage increase. Other facilities have cut back on maintenance in order to meet unfunded federal and state mandates, such as keeping a primary care physician on staff or installing electronic health records. Reduction in services is also affecting state facilities, namely Leahi Hospital and Maluhia nursing home. As reported in the news, both of those facilities are experiencing significant financial difficulties that would be mitigated through the provision of this inflationary update. Securing this inflationary update would be very beneficial for neighbor island providers such as Hale Kupuna to ensure that residents have access to needed long-term care services.

These reductions in service in turn exacerbate the current waitlist issue at Hawaii hospitals. A patient is waitlisted when they no longer require an acute level of care but cannot be placed in an appropriate facility offering sub- or post-acute care. As a result, patients who do not need to be in the hospital end up staying for extended periods of time. Waitlisting patients is very costly for the health care system since patients are receiving care in the most expensive setting. It also means that patients needing an acute level of care may not be able to access a hospital bed in an emergency.

Investing in our LTC facilities is critical. The conventional wisdom holds that, since Hawaii has the fastest-aging population in the nation, this funding is needed to ensure to help ensure that seniors maintain access to services. This remains true. However, it should also be noted that LTC facilities are increasingly taking care of the non-elderly. We have seen a change in the demographics at their facilities. Now, we are treating more working age individuals who are recovering from substance abuse or who lack supportive services that are social determinants of health. For example, we care for homeless individuals experiencing serious, but not acute, medical issues.

This legislation presents a common-sense way to use available federal resources and support our growing senior population. Passage of this program is critical in helping Hawaii's nursing facilities *mitigate* their Medicaid losses. It is important to note that not all of the losses incurred by nursing facilities caring for Medicaid enrollees are made up for by other programs, such as the Nursing Facility Sustainability Program. In fact, in 2015, the industry-wide Medicaid shortfall for nursing facilities was \$16.5 million even after the nursing facility sustainability program was taken into account. This means that Hawaii facilities are facing a payment shortfall of approximately \$20 a day per Medicaid patient even with other efforts to mitigate their losses.

We appreciate your consideration of this important matter and urge your support of this measure.



March 21, 2016

House Committee on Human Services

To: Chair Dee Morikawa  
Vice Chair Bertrand Kobayashi

From: Connie Miller, Administrator  
Hale Makua Wailuku

Re: Testimony in **Support**  
**SB 2396 SD 2, Relating to Long-Term Care Facilities**  
March 22, 2016 at 10:00 AM, Conference Room 329

Thank you for the opportunity to testify in **support** of SB 2396 SD2. As the Administrator of Hale Makua Wailuku, a Maui nursing home with a capacity for 90 Kupuna, I urge you to support this bill.

Nursing homes in Hawaii have gone without an inflationary increase to our Medicaid rates since 2009. As you are well aware, costs including food, medicine, employee health insurance, workers' compensation, and wages have been increasing year after year. At Hale Makua, however, we have been unable to keep up with increasing wages and have repeatedly been on the brink of a labor strike over our inability to give our valuable employees suitable cost of living increases.

At my nursing home in Wailuku, over 80% of all our residents are on Medicaid. We do not turn away people in need because they are on Medicaid. However, the Medicaid reimbursement is less than our costs for providing care. We have done all we can to cut expenses, but without the inflationary increase, our labor challenges will continue to worsen. Not only are we not able to provide the kinds of wages our employees deserve, we are having a very hard time recruiting for numerous openings due to our inability to compete with wages offered by other employers. Additionally, our delayed maintenance continues to add up, and our year-over-year losses continue to drain our limited reserves.

This legislation would provide relief to long-term care facilities in Hawaii by increasing their Medicaid rates through a modest inflationary update in fiscal year 2017. The increase would require \$1.9 million in state funding, which would be matched with federal dollars.

This legislation presents a common-sense way to use available federal resources to support Hawaii's Kupuna; a population that is growing quickly.

I urge you to support Hawaii's long-term care providers and the Kupuna they serve by voting in favor of SB 2396 SD 2. Thank you for your consideration.



**March 22, 2016 at 10:00 AM**  
**Conference Room 329**

**House Committee on Human Services**

To: Chair Dee Morikawa  
Vice Chair Bertrand Kobayashi

From: George Greene  
President and CEO  
Healthcare Association of Hawaii

Re: **Testimony in Support**  
**SB 2396 SD 2, Relating to Long-Term Care Facilities**

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 180 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

The Healthcare Association of Hawaii would like to thank the committee for the opportunity to **support** SB 2396 SD 2. This legislation would provide relief to long-term care facilities (LTC) in Hawaii by increasing their Medicaid rates through a modest inflationary update in fiscal year 2017 that would require less than \$2 million in funding that would be matched with federal dollars.

LTC providers in Hawaii have gone without an inflationary increase to their Medicaid rates since 2009, despite rising costs and greater regulatory requirements over the years. This legislation would provide some relief for these providers by increasing Medicaid reimbursements slightly to reflect inflation. Many LTC facilities in Hawaii have a patient population that is predominantly enrolled in Medicaid—in some cases, facilities have 70-80 percent of their patients covered by Medicaid. Because of the high enrollment of Medicaid patients, the operational losses that these facilities experience are not sustainable, but could be offset through the provision of the inflationary update. Moreover, providing this inflationary update will benefit the entire continuum of care in the state by supporting struggling state facilities and helping to address the waitlist issue that hospitals continuously struggle with.

The most immediate impact of providing this modest increase will be relief to LTC providers in the state. Because the costs of serving patients have increased without an attendant increase in reimbursements, facilities are having to cut back on services and perquisites. Front-line medical staff in these facilities have experienced stagnant wages or reduced benefits, leading to trained,

experienced staff seeking employment elsewhere. Administrators are also struggling to provide wage updates required in contracts or by the state-wide minimum wage increase. Other facilities have cut back on maintenance in order to meet unfunded federal and state mandates, such as keeping a primary care physician on staff or installing electronic health records.

It is clear that these facilities are finding it increasingly difficult to make ends meet because of the lack of an inflationary update from Medicaid. Some of our members have already started to cut back on services, including closing down beds. Reduction in services is also affecting state facilities, namely Leahi Hospital and Maluhia nursing home. As reported in the news, both of those facilities are experiencing significant financial difficulties that would be mitigated through the provision of this inflationary update. This issue is also affecting our rural areas, where access to long-term care services can be very limited. Securing this inflationary update would be very beneficial for neighbor island providers to ensure that residents have access to needed long-term care services.

These reductions in service in turn exacerbate the current waitlist issue at Hawaii hospitals. A patient is waitlisted when they no longer require an acute level of care but cannot be placed in an appropriate facility offering sub- or post-acute care. As a result, patients who do not need to be in the hospital end up staying for extended periods of time. Waitlisting patients is very costly for the health care system since patients are receiving care in the most expensive setting. It also means that patients needing an acute level of care may not be able to access a hospital bed in an emergency.

Investing in our LTC facilities is critical. The conventional wisdom holds that, since Hawaii has the fastest-aging population in the nation, this funding is needed to ensure to help ensure that seniors maintain access to services. This remains true. However, it should also be noted that LTC facilities are increasingly taking care of the non-elderly. Many providers have seen a change in the demographics at their facilities. Now, they are treating more working age individuals who are recovering from substance abuse or who lack supportive services that are social determinants of health. For example, many of our LTC providers care for homeless individuals experiencing serious, but not acute, medical issues.

We would also like to note that not all of the losses incurred by nursing facilities caring for Medicaid enrollees are made up for by other programs, such as the Nursing Facility Sustainability Program. In fact, in 2015, the industry-wide Medicaid shortfall for nursing facilities was \$16.5 million even after the nursing facility sustainability program was taken into account. This means that Hawaii facilities are facing a payment shortfall of approximately \$20 a day per Medicaid patient even with other efforts to mitigate their losses.

This legislation presents a common-sense way to use available federal resources and support our growing senior population. Passage of this program is critical in helping Hawaii's nursing facilities mitigate their Medicaid losses and keep their doors open. We appreciate your consideration of this important matter and urge your support of this measure.



**March 22, 2016 at 10:00 AM**  
**Conference Room 329**

**House Committee on Human Services**

To: Chair Dee Morikawa  
Vice Chair Bertrand Kobayashi

From: Richard S Kishaba  
President and CEO  
Ohana Pacific Management Company, Inc.

Re: **Testimony in Support**  
**SB 2396 SD 2, Relating to Long-Term Care Facilities**

Ohana Pacific Management Company, Inc. (OPMC) which owns and operates five post-acute care facilities servicing more than 500 patients on Oahu and Kauai as well as an adult day health program and home health agency on Kauai.

OPMC is the largest privately owned post-acute health care provider in the state and strives to provide the highest quality of post-acute care to the Hawaii population. Our foundation for delivery of care encompasses many aspects but quality is the main driver.

Ohana Pacific Management Company would like to thank the committee for the opportunity to testify in **support** of SB 2396 SD 2. This legislation would provide relief to long-term care facilities (LTC) in Hawaii by increasing their Medicaid rates through a modest inflationary update in fiscal year 2017 that would require \$1.9 million in funding that would be matched with federal dollars.

LTC providers in Hawaii have gone without an inflationary increase to their Medicaid rates since 2009, despite rising costs and greater regulatory requirements over the years. This legislation would provide some relief for these providers by increasing Medicaid reimbursements slightly to reflect inflation. Many LTC facilities in Hawaii have a patient population that is predominantly enrolled in Medicaid—our facilities have 70-80 percent of patients covered by Medicaid. Because of the high enrollment of Medicaid patients, the operational losses that these facilities experience are not sustainable, but could be offset through the provision of the inflationary update. Moreover, providing this inflationary update will benefit the entire continuum of care in the state by supporting struggling state facilities and helping to address the waitlist issue that hospitals continuously struggle with.

The most immediate impact of providing this modest increase will be relief to LTC providers in the state. Because the costs of serving patients have increased without an attendant increase in reimbursements, facilities are having to cut back on services and perquisites. Front-line medical staff in these facilities have experienced stagnant wages or reduced benefits, leading to trained, experienced staff seeking employment elsewhere. Administrators are also struggling to provide wage updates required in contracts or by the state-wide minimum wage increase. Other facilities have cut

back on maintenance in order to meet unfunded federal and state mandates, such as keeping a primary care physician on staff or installing electronic health records.

It is clear that these facilities are finding it increasingly difficult to make ends meet because of the lack of an inflationary update from Medicaid. Some of our members have already started to cut back on services, including closing down beds. Reduction in services is also affecting state facilities, namely Leahi Hospital and Maluhia nursing home. As reported in the news, both of those facilities are experiencing significant financial difficulties that would be mitigated through the provision of this inflationary update. This issue is also affecting our rural areas, where access to long-term care services can be very limited. Securing this inflationary update would be very beneficial for neighbor island providers to ensure that residents have access to needed long-term care services.

These reductions in service in turn exacerbate the current waitlist issue at Hawaii hospitals. A patient is waitlisted when they no longer require an acute level of care but cannot be placed in an appropriate facility offering sub- or post-acute care. As a result, patients who do not need to be in the hospital end up staying for extended periods of time. Waitlisting patients is very costly for the health care system since patients are receiving care in the most expensive setting. It also means that patients needing an acute level of care may not be able to access a hospital bed in an emergency.

Investing in our LTC facilities is critical. The conventional wisdom holds that, since Hawaii has the fastest-aging population in the nation, this funding is needed to ensure to help ensure that seniors maintain access to services. This remains true. However, it should also be noted that LTC facilities are increasingly taking care of the non-elderly. Many providers have seen a change in the demographics at their facilities. Now, they are treating more working age individuals who are recovering from substance abuse or who lack supportive services that are social determinants of health. For example, many LTC providers, including ours, care for homeless individuals experiencing serious, but not acute, medical issues.

This legislation presents a common-sense way to use available federal resources and support our growing senior population. Passage of this program is critical in helping Hawaii's nursing facilities *mitigate* their Medicaid losses. It is important to note that not all of the losses incurred by nursing facilities caring for Medicaid enrollees are made up for by other programs, such as the Nursing Facility Sustainability Program. In fact, in 2015, the industry-wide Medicaid shortfall for nursing facilities was \$16.5 million even after the nursing facility sustainability program was taken into account. This means that Hawaii facilities are facing a payment shortfall of approximately \$20 a day per Medicaid patient even with other efforts to mitigate their losses.

We appreciate your consideration of this important matter and urge your support of this measure.





# PALOLO CHINESE HOME

*Better Care. Better Lives*

**February 4, 2016 at 8:30 AM**  
**State Capitol, Room 329**

**House Committee on Human Services**

To: Chair Dee Morikawa  
Vice Chair Bertrand Kobayashi

From: Brenda Kumabe, CPA  
Chief Financial Officer  
Palolo Chinese Home

**Re: Testimony in Support**  
**HB 1943, Relating to Long-Term Care Facilities**

The Palolo Chinese Home (the “Home”), established in 1920 is a private eleemosynary, State of Hawaii not-for-profit organization. The Palolo Chinese Home was organized for the purpose of assisting and caring for the aged, maintaining homes for them, aiding in the alleviation of human suffering and distress, and carrying on works of charity and benevolence for the Hawaii senior population. The Home is licensed by the State Department of Health, Office of Health Care Assurance as an Adult Residential Care Home Type II Facility and as a Skilled Nursing and Intermediate Care Facility. The Home is also licensed by the State Department of Human Services, Social Services Division to operate an Adult Day Care Center and maintains certification as a licensed provider for Medicare and Medicaid services.

Palolo Chinese Home would like to thank the committee for the opportunity to **support** SB 2396 SD 2. This legislation would provide relief to long-term care facilities (LTC) in Hawaii by increasing their Medicaid rates through a modest inflationary update in fiscal year 2017 that would require less than \$2 million in funding that would be matched with federal dollars.

Palolo Chinese Home along with other long-term care facilities in the state continue to face major financial challenges in providing quality healthcare to Hawaii residents, primarily due to the fact that payments for Medicaid and SSI program enrollees have declined over the past 5 years and do not cover the actual cost of care. Palolo Chinese Home provided healthcare services for more than 500 Hawaii seniors in 2015. In 2015, Palolo Chinese Home provided \$2.0 million in subsidies for 96 persons primarily through the State of Hawaii Medicaid and Federal SSI programs. This represents a loss of more than \$100 to \$200 per patient day.

In addition to the losses in revenue which do not cover costs of care, Palolo Chinese Home like other Hawaii facilities have not received inflationary adjustments for a number of years, which has significantly widened the gap between costs and reimbursements. In 2012, the American Health Care Association estimated that this gap nearly averaged \$20 per day (per patient) for Hawaii long-term care facilities. The financial impact for Palolo Chinese Home is further magnified since approximately 30% of patients in its facilities are covered by the state Medicaid program.

The most immediate impact of providing relief to LTC providers in the state will be to help LTC providers keep their facilities open to serve Hawaii's growing senior population. Because the costs of serving patients have increased without an attendant increase in reimbursements for a number of years, sub-acute and LTC facilities can no longer continue to provide healthcare services at a loss. Without an increase in reimbursements to cover minimum inflation, LTC facilities are having to cut back on services and perquisites unable to fiscally cover the increasing gap in reimbursement to cover the costs of healthcare. The loss must be made up by cutting back on services and investments in plant and equipment, by reimbursement from other insurance or Hawaii residents who privately pay for services which provide some reimbursement coverage for the losses sustained in Medicaid reimbursement.

This legislation presents a common-sense way to use available federal resources and to support our growing senior population LTC healthcare needs. Passage of this program is critical in helping Hawaii's nursing facilities *mitigate* their Medicaid losses. It is important to note that not all of the losses incurred by nursing facilities caring for Medicaid enrollees are made up for by other programs, such as the Nursing Facility Sustainability Program. Palolo Chinese Home is one of the facilities who have paid out more into the Nursing Facility Sustainability Program than received in subsidies.

We appreciate your consideration of this important matter, and urge your support of this measure to ensure Hawaii's LTC facilities continue to serve patients with the excellent healthcare that is needed and is deserved by its people.

**March 22, 2016 at 10:00 AM**  
**Conference Room 329**

**House Committee on Human Services**

To: Chair Dee Morikawa  
Vice Chair Bertrand Kobayashi

From: Mary Beth Santoro  
Administrator  
Puuwai O Makaha

Re: **Testimony in Support**  
**SB 2396 SD 2, Relating to Long-Term Care Facilities**

Puuwai O Makaha is a 93 bed skilled nursing facility serving the communities of the Waianae Coast for over 40 years.

I would like to thank the committee for the opportunity to testify in **support** of SB 2396 SD 2. This legislation would provide relief to long-term care facilities (LTC) in Hawaii by increasing their Medicaid rates through a modest inflationary update in fiscal year 2017 that would require \$1.9 million in funding that would be matched with federal dollars.

LTC providers in Hawaii have gone without an inflationary increase to their Medicaid rates since 2009, despite rising costs and greater regulatory requirements over the years. This legislation would provide some relief for these providers by increasing Medicaid reimbursements slightly to reflect inflation. Our facility has almost 80 percent of our patients covered by Medicaid. Because of the high enrollment of Medicaid patients, the operational costs that our facility experiences is not sustainable, but could be offset through the provision of the inflationary update. Moreover, providing this inflationary update will benefit the entire continuum of care in the state by supporting struggling state facilities and helping to address the waitlist issue that hospitals continuously struggle with.

The most immediate impact of providing this modest increase will be relief to LTC providers in the state. Because the costs of serving patients have increased without an attendant increase in reimbursements, facilities are having to cut back on services and perquisites. Front-line medical staff in these facilities have experienced stagnant wages or reduced benefits, leading to trained, experienced staff seeking employment elsewhere. Administrators are also struggling to provide wage updates required in contracts or by the state-wide minimum wage increase. Other facilities have cut back on maintenance in order to meet unfunded federal and state mandates, such as keeping a primary care physician on staff or installing electronic health records. Reduction in services is also affecting state facilities, namely Leahi Hospital and Maluhia nursing home. As reported in the news, both of those facilities are experiencing significant financial difficulties that would be mitigated through the provision of this inflationary update. This issue is also affecting rural areas such as ours, where access to long-term care services can be very limited.

These reductions in service in turn exacerbate the current waitlist issue at Hawaii hospitals. A patient is waitlisted when they no longer require an acute level of care but cannot be placed in an appropriate facility offering sub- or post-acute care. As a result, patients who do not need to be in the hospital end up staying for extended periods of time. Waitlisting patients is very costly for the health care system since patients are receiving care in the most expensive setting. It also means that patients needing an acute level of care may not be able to access a hospital bed in an emergency.

Investing in our LTC facilities is critical. The conventional wisdom holds that, since Hawaii has the fastest-aging population in the nation, this funding is needed to ensure to help ensure that seniors maintain access to services. This remains true. However, it should also be noted that LTC facilities are increasingly taking care of the non-elderly. We have seen a change in the demographics at their facilities. Now, we are treating more working age individuals who are recovering from substance abuse or who lack supportive services that are social determinants of health. For example, we care for homeless individuals experiencing serious, but not acute, medical issues.

This legislation presents a common-sense way to use available federal resources and support our growing senior population. Passage of this program is critical in helping Hawaii's nursing facilities *mitigate* their Medicaid losses. It is important to note that not all of the losses incurred by nursing facilities caring for Medicaid enrollees are made up for by other programs, such as the Nursing Facility Sustainability Program. In fact, in 2015, the industry-wide Medicaid shortfall for nursing facilities was \$16.5 million even after the nursing facility sustainability program was taken into account. This means that Hawaii facilities are facing a payment shortfall of approximately \$20 a day per Medicaid patient even with other efforts to mitigate their losses.

We appreciate your consideration of this important matter and urge your support of this measure.



## THE QUEEN'S HEALTH SYSTEMS

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To: The Honorable Dee Morikawa, Chair, Committee on Human Services  
The Honorable Bertrand Kobayashi, Vice Chair, Committee on Human Services  
Members, Committee on Human Services

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

Date: March 18, 2016

Hrg: House Committee on Human Services Hearing; Tuesday, March 22, 2016 at 10:00am,  
Room 329

Re: **Strong support for SB 2396, SD2, Relating to Long-Term Care Facilities**

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My name is Paula Yoshioka, and I am a Senior Vice President at The Queen's Health Systems (Queen's). I would like to express my **strong support** for SB 2396, SD2, Relating to Long-Term Care Facilities. This bill provides an inflationary adjustment to the methodology used to reimburse facilities for the long-term care of Medicaid recipients.

At Queen's we believe that providing adequate funding for long-term care facilities (LTCs) is important for a robust health care system in Hawaii. After a patient transitions out of the acute-care system, LTCs step in to provide sub or post-acute medical and personal care for patients who are unable to manage independently in the community.

LTC providers in Hawaii have gone without an inflationary increase to their Medicaid rates since 2009, despite rising costs and greater regulatory requirements over the years. This legislation would provide some relief for these providers by increasing Medicaid reimbursements slightly to reflect inflation.

Providing this inflationary update will benefit the entire continuum of care in the state by helping to address the waitlist issue for hospitals. A patient is waitlisted when they no longer require an acute level of care but cannot be placed in an appropriate facility offering sub- or post-acute care. As a result, patients who do not need to be in the hospital end up staying for extended periods of time. Waitlisted patients are very costly for the health care system since patients are receiving care in the most expensive setting. It also means that patients needing an acute level of care may not be able to access a hospital bed if census is full and waitlisted patients occupy acute care beds. At The Queen's Medical Center Punchbowl, we average between 40 to 70 patients a day who are waitlisted to be placed into post-acute care settings. Thus the need for adequate long term care facility funding is vital for patients who need this level of care.

Thank you for your time and attention. I urge you to support this important measure.

*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.*

**March 22, 2016 at 10:00am**  
**Conference Room 329**

**House Committee on Human Services**

To: Representative Dee Morikawa, Chair  
Representative Bertrand Kobayashi, Vice Chair

From: Michael Robinson  
Vice President -- Government Relations and Community Affairs

**Re: Testimony in Support, SB 2396, SD2, Relating to Long-Term Care Facilities**

My name is Michael Robinson, and I am the Vice President of Government Relations and Community Affairs for Hawai'i Pacific Health (HPH). Hawai'i Pacific Health is a not-for-profit health care system, and the state's largest health care provider and non-governmental employer. Hawai'i Pacific Health 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.

HPH is writing in **strong support** of SB 2396, SD2 which appropriates funds for an inflationary adjustment to reimbursement of facilities for the long-term care of Medicaid recipients. Despite rising costs and increased regulatory requirements over the past years, long-term care providers in Hawaii have gone without an inflationary increase in their Medicaid rates since 2009. Approximately 70-80 percent of our patient population is covered by Medicaid. Because of the high enrollment of Medicaid patients, the operational losses that the long term care facilities experience are not sustainable, but could be offset through the provision of the inflationary update. Providing the inflationary increase as indicated in this measure would benefit the entire continuum of care in the state by supporting the long term care facilities and helping to address the waitlist issue that hospitals continuously struggle with.

This bill presents a sensible approach to maximize the use of available federal funding to support our growing senior population.

Thank you for the opportunity to testify.





## **HALE MAKUA HEALTH SERVICES**

COMPASSION COMMITMENT COMMUNITY

**March 22, 2016 at 10:00 AM**  
**Conference Room 329**

### **House Committee on Human Services**

**To: Chair Dee Morikawa**  
**Vice Chair Bertrand Kobayashi**

**From: Ted Tucker**  
**Chief Human Resources & Compliance Officer**

**Re: Testimony in Support**  
**SB 2396 SD 2, Relating to Long-Term Care Facilities**

Thank you for this opportunity to testify in **strong support** of SB 2396 SD 2.

Nursing homes in Hawaii have gone without an inflationary increase to our Medicaid rates since 2009. As you are well aware, costs including food, medicine, employee health insurance, and demands for higher wages have been increasing year after year. At Hale Makua, however, we have been unable to keep up with increasing wages and have been on the brink of numerous labor strikes over our inability to give our valuable employees needed cost of living increases.

Since 2009, Hale Makua has had to make serious cutbacks in order to keep our doors open. Some examples include:

- i. Layoffs and position reductions
- ii. Wage freezes for up to 5 consecutive years
- iii. Benefits elimination: In 2012, Hale Makua resorted to freezing its defined benefit pension plan that provided for stable income to our retirees.

As a result of stagnating wages and reduced benefits, Hale Makua has had great difficulty recruiting and retaining staff, especially in critical clinical positions like registered and licensed practical nurses, dietitians, nurse aides, and physical therapists.

**It simply is not reasonable to expect providers to operate and their employees to work at the same levels of pay in perpetuity.** A six year freeze on our reimbursement has been hardship enough. This legislation would provide relief to long-term care facilities in Hawaii by increasing their Medicaid rates through a modest inflationary update in fiscal year 2017. This would amount to around \$1.8 million in funding, or 0.2 percent of the general funds the administration is requesting for Medicaid payments in fiscal year 2017.

This legislation presents a common-sense way to use available federal resources to support Hawaii's kupuna, a population that is growing quickly, and their hard-working care givers.

I urge you to support Hawaii's long-term care providers and the kupuna they serve by voting in favor of HB 1943.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Tucker", with a long horizontal flourish extending to the right.

Ted Tucker, MA, SHRM-SCP, SPHR  
Chief Human Resources & Compliance Officer  
Hale Makua Health Services





**March 22, 2016 at 10:00 AM**  
**Conference Room 329**

**House Committee on Human Services**

To: Chair Dee Morikawa  
Vice Chair Bertrand Kobayashi

From: Jan Shishido  
Administrator  
The Clarence T.C. Ching Villas at St. Francis

Re: **Testimony in Support**  
**SB 2396 SD 2, Relating to Long-Term Care Facilities**

The Clarence T.C. Ching Villas at St. Francis (the Villas) is a 119 bed skilled nursing facility located on the St Francis Liliha campus.

I would like to thank the committee for the opportunity to testify in **support** of SB 2396 SD 2. This legislation would provide relief to long-term care facilities (LTC) in Hawaii by increasing their Medicaid rates through a modest inflationary update in fiscal year 2017 that would require \$1.9 million in funding that would be matched with federal dollars.

LTC providers in Hawaii have gone without an inflationary increase to their Medicaid rates since 2009, despite rising costs and greater regulatory requirements over the years. This legislation would provide some relief for these providers by increasing Medicaid reimbursements slightly to reflect inflation. Many LTC facilities in Hawaii have a patient population that is predominantly enrolled in Medicaid—in some cases, facilities have 70-80 percent of their patients covered by Medicaid. Because of the high enrollment of Medicaid patients, the operational losses that these facilities experience are not sustainable, but could be offset through the provision of the inflationary update. Moreover, providing this inflationary update will benefit the entire continuum of care in the state by supporting struggling state facilities and helping to address the waitlist issue that hospitals continuously struggle with.

The most immediate impact of providing this modest increase will be relief to LTC providers in the state. Because the costs of serving patients have increased without an attendant increase in reimbursements, facilities are having to cut back on services and perquisites. Front-line medical staff in these facilities have experienced stagnant wages or reduced benefits, leading to trained, experienced staff seeking employment elsewhere. Administrators are also struggling to provide wage updates required in contracts or by the state-wide minimum wage increase. Other facilities have cut back on maintenance in order to meet unfunded federal and state mandates, such as keeping a primary care physician on staff or installing electronic health records.

It is clear that these facilities are finding it increasingly difficult to make ends meet because of the lack of an inflationary update from Medicaid. Some of our members have already started to cut back on services, including closing down beds. Reduction in services is also affecting state facilities,

namely Leahi Hospital and Maluhia nursing home. As reported in the news, both of those facilities are experiencing significant financial difficulties that would be mitigated through the provision of this inflationary update. This issue is also affecting our rural areas, where access to long-term care services can be very limited. Securing this inflationary update would be very beneficial for neighbor island providers to ensure that residents have access to needed long-term care services.

These reductions in service in turn exacerbate the current waitlist issue at Hawaii hospitals. A patient is waitlisted when they no longer require an acute level of care but cannot be placed in an appropriate facility offering sub- or post-acute care. As a result, patients who do not need to be in the hospital end up staying for extended periods of time. Waitlisting patients is very costly for the health care system since patients are receiving care in the most expensive setting. It also means that patients needing an acute level of care may not be able to access a hospital bed in an emergency.

Investing in our LTC facilities is critical. The conventional wisdom holds that, since Hawaii has the fastest-aging population in the nation, this funding is needed to ensure to help ensure that seniors maintain access to services. This remains true. However, it should also be noted that LTC facilities are increasingly taking care of the non-elderly. Many providers have seen a change in the demographics at their facilities. Now, they are treating more working age individuals who are recovering from substance abuse or who lack supportive services that are social determinants of health. For example, many of our LTC providers care for homeless individuals experiencing serious, but not acute, medical issues.

This legislation presents a common-sense way to use available federal resources and support our growing senior population. Passage of this program is critical in helping Hawaii's nursing facilities *mitigate* their Medicaid losses. It is important to note that not all of the losses incurred by nursing facilities caring for Medicaid enrollees are made up for by other programs, such as the Nursing Facility Sustainability Program. In fact, in 2015, the industry-wide Medicaid shortfall for nursing facilities was \$16.5 million even after the nursing facility sustainability program was taken into account. This means that Hawaii facilities are facing a payment shortfall of approximately \$20 a day per Medicaid patient even with other efforts to mitigate their losses.

We appreciate your consideration of this important matter and urge your support of this measure.



Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the House Committee on Human Services  
Tuesday, March 22, 2016 at 10:00 A.M.  
Conference Room 329, State Capitol**

**RE: SENATE BILL 2396 SD 2 RELATING TO LONG-TERM CARE FACILITIES**

Chair Morikawa, Vice Chair Kobayashi, and Members of the Committee:

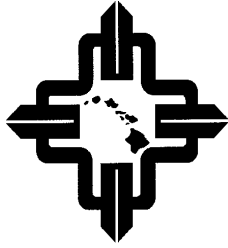
The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2396 SD 2, which appropriates funds for an inflationary adjustment to reimbursement of facilities for the long-term care of Medicaid recipients.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Increasing costs and regulatory requirements coupled with a lack of inflationary increase in Medicaid rates, have forced long-term care facilities to begin cutting back on services and maintenance as their staff faces stagnant wages and reduced benefits. Since the majority of long-term care patients are enrolled in Medicaid, these facilities face operational losses.

The reduced capacity and services at long-term care facilities exacerbate a growing issue with the waitlisted patient population in hospitals, which creates an incredibly costly and dangerous situation. Although these waitlisted patients no longer require acute, emergency care, they encounter a waitlist for post-acute care and must receive continued, extended care in the hospital. However, patients who do require emergency care may not gain access to a hospital bed. SB 2396 SD 2 takes the necessary steps of relieving a bit of the financial burden and Medicaid losses placed on long-term care facilities by best utilizing federal resources.

Thank you for the opportunity to testify.



**OAHU REGION  
HAWAII HEALTH SYSTEMS CORPORATION**

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**House Committee on Human Services  
Representative Dee Morikawa, Chair  
Representative Bertrand Kobayashi, Vice Chair**

March 22, 2016  
House Conference Room 329  
10:00 AM  
Hawaii State Capitol

Sean K. Sanada, Esq.  
Oahu Region Chief Legal Officer  
Hawaii Health Systems Corporation  
Re: Testimony in Support  
SB 2396 SD2, Relating to Long-Term Care Facilities

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LTC providers in Hawaii have gone without an inflationary increase to their Medicaid rates since 2009, despite rising costs and greater regulatory requirements over the years. This legislation would provide some relief by increasing Medicaid reimbursements slightly to reflect inflationary costs which had to be absorbed by our respective operating budgets. In terms of the Oahu Region in particular, we believe that this legislation could have a significant impact on our operational deficits given that approximately 90 percent of our patient population is covered by Medicaid. Needless to say, the high percentage of Medicaid patients at our facilities, Leahi Hospital and Maluhia, coupled with the level of care and length of stay required for each patient, all contribute to the operational losses that the Oahu Region is currently experiencing. These losses are not sustainable and the increase in the reimbursement rate could assist us by partially offsetting these losses.

Because the costs of serving our patients have increased without an associated increase in reimbursements, we have had to cut back on services by downsizing our operations and implementing a reduction in work force. Both Leahi Hospital and Maluhia are experiencing significant financial difficulties and providing us with this increase will help to ensure that we can still deliver high quality care to our most vulnerable residents.

This legislation presents a common-sense approach to maximize the use of available federal funding to support our growing senior population. We appreciate your consideration of this important legislation, and respectfully urge your support for this measure.

**March 22, 2016 – 10:00am**  
**Conference Room 329**



**House Committee on Human Services**

To: Dee Morikawa, Chair  
Bertrand Kobayashi, Vice Chair

From: Dee Robinson  
Administrator for One Kalakaua Senior Living

Re: **Testimony in Support**  
**SB 2396 SD 2, Relating to Long-Term Care Facilities**

Thank you for the opportunity to testify in **support** of SB 2396 SD 2, which provides relief to long-term care facilities in Hawaii by increasing the Medicaid rates they receive, via an inflationary update. These facilities have gone without an inflationary increase since 2009, and long-term care facilities in the state continue to face major financial challenges on a daily basis to provide quality healthcare to Hawaii residents and our kupuna. These challenges are exacerbated for those that serve Medicaid enrollees as current payments do not cover the actual cost of care.

Facilities are faced with increased costs for supplies and labor. It becomes very difficult to recruit and retain competent, properly trained healthcare staff when the staff can only look forward to stagnant wages and reduced benefits. This affects the entire healthcare industry as a whole, as our quality staff are now leaving our facilities and kupuna, to look at other career paths outside of the healthcare industry. There are also more and more regulatory requirements that are directed at facilities, which without proper funding can be very challenging to meet.

Implementing this much needed inflationary adjustment is absolutely **critical** for these facilities to continue to provide the highest quality of care to our kupuna.

Thank you for the opportunity to testify in **support** of SB 2396 SD 2.

Hearing Date: Tuesday – March 22, 2016  
10:00 a.m. – Conference Room 329

To: House Committee on Human Services

From: Vanessa Y. Chong  
Protect Leahi & Maluhia `Ohana  
yukachong@hawaiiantel.net

Re: SB2396, SD2 Relating to Long-Term Care Facilities  
TESTIMONY IN SUPPORT

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On behalf of our 5,000-plus grassroots network of families and supporters who believe in the worth and priority of a public hospital safety net – we respectfully urge your support of SB2396, SD2.

This measure offers critical assistance to the unprecedented erosion of a valued community resource that is increasingly needed by families statewide. Additionally, public hospitals serve the largest number of long-term care individuals on Medicaid – for example, covering over 90% of residents at Leahi Hospital on O`ahu.

Hawai`i has not been closing the gap caused by low federal funds reimbursement of only half the costs of care. Now 76 beds – a 25% loss of capacity – and attached services are gone on O`ahu alone. My Mom – a long-term care resident in Leahi Hospital – had her floor closed, lost her care-giving team but fortunately found another bed at Leahi.

Long-term care hospitals statewide serve an important purpose in our community. Until such time Hawai`i provides a safety net for every stage of life – one which is affordable and accessible – long-term care public facilities like Leahi and Maluhia are still needed and must be adequately funded.

Thank you for this opportunity to testify.