



## THE QUEEN'S HEALTH SYSTEMS

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To: The Honorable Jill N. Tokuda, Chair  
The Honorable Donovan M. Dela Cruz, Vice Chair  
Members, Committee on Ways and Means

From: Paula Yoshioka, Senior Vice President, The Queen's Health Systems  
Date: April 19, 2017  
Hrg: Senate Committee on Ways and Means Decision Making; Friday, April 21, 2017 at 9:30AM in Room 211

Re: **Support for HCR 161, Requesting the Convening of a Working Group Relating to Complex Patients**

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My name is Paula Yoshioka, and I am a Senior Vice President at The Queen's Health Systems (QHS). I would like to express **support** for HCR 161, Requesting the Convening of a Working Group Relating to Complex Patients.

At QHS we are committed to providing care for Hawaii's most underserved. At The Queen's Medical Center – Punchbowl (QMC-Punchbowl), Medicaid patients accounted for a total of 5,484 days on the waitlist with 53 percent considered to be medically-complex patients. We experienced a net loss of \$6.6 million in FY 2016 caring for these patients as they were waitlisted for transfer to a long-term care facility.

Waitlisted patients affect the entire system of care in our state as they directly impact the availability of acute care beds. 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. QMC-Punchbowl experiences an average daily census (ADC) of 94 percent (80 percent is the efficient ADC level). In 2016, QMC-Punchbowl reached capacity multiple times requiring us to go on divert for 153 days or 42 percent of the entire year. At the same time, the number of Emergency Department (ED) holds at QMC-Punchbowl, defined as an individual waiting more than four hours to be hospitalized, averaged 11.43 holds a day last year.

We hope that a working group will be able to identify actionable recommendations to help reduce the waitlist issue for medically complex patients.

I commend the legislature for introducing this measure and ask you to support it. Thank you for your time and attention to this important issue.

*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.*

Testimony of  
Jonathan Ching  
Government Relations Specialist

Before:  
Senate Committee on Ways and Means  
The Honorable Jill Tokuda, Chair  
The Honorable Donovan Dela Cruz, Vice Chair

April 21, 2017  
9:30 a.m.  
Conference Room 211

**Re: HCR161 REQUESTING THE CONVENING OF A WORKING GROUP RELATING TO COMPLEX PATIENTS.**

Chair Tokuda, Vice Chair Dela Cruz, and Committee Members, thank you for this opportunity to provide testimony on HCR161, which requests the Med-QUEST Administrator to convene a working group to evaluate the issue of complex patients who are waitlisted in hospitals because of medical or behavioral health issues and to consider solutions that include incentive or add-on payments to encourage their transfer out of hospitals and into more appropriate settings.

**Kaiser Permanente Hawaii SUPPORTS HCR161.**

A 2014 report estimated that Hawai'i hospitals lost approximately \$60,000,000 due to delays in discharging 7,055 patients who were waitlisted at Hawai'i hospitals in 2011. Duration of these delays ranged from days or weeks, to months and sometimes years.

Given that Medicaid reimburses acute care hospitals at set acute waitlisted rate based upon the level of care needed by the patient, it has become problematic when a patient is well enough to be transferred to long term care, since Medicaid payments to the hospital are reduced to a fraction of the actual cost of care in the hospital acute care setting. This results in an unfair financial burden on the hospitals, which must continue to provide care at a much higher cost to patients who remain waitlisted in acute care hospital beds due to the unavailability of long term care beds.

It naturally follows that Kaiser Foundation Hospital's finances are negatively impacted by this waitlist situation, the same as all the other acute care hospitals in the State. Therefore, we commend the legislature for introducing and considering this important issue. We believe that a working group, convened by the Med-QUEST Administrator, will be able to propose realistic recommendations to help reduce the waitlist issue for medically complex patients.

Thank you for the opportunity to comment on this important issue.



**April 21, 2017 at 9:30 AM**  
**Conference Room 211**

**Senate Committee on Ways and Means**

To: Chair Jill N. Tokuda  
Vice Chair Donovan M. Dela Cruz

From: Paige Heckathorn  
Senior Manager, Legislative Affairs  
Healthcare Association of Hawaii

Re: **Testimony in Support**  
**HCR 161, Requesting the Convening of a Working Group Relating to Complex Patients**

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 160 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** HCR 161. This resolution requests the MedQUEST administrator to convene a working group to evaluate the issue of complex patients who are waitlisted in hospitals and consider potential solutions that encourage long-term care facilities to take these patients, such as an add-on or incentive payment.

All too often, patients who no longer need an acute level of care end up residing in a hospital for many months because the cost of caring for that patient in a long-term care facility is much higher than what the facility would receive in reimbursements from the Medicaid program. The predominant reason that the costs are so high is that a patient has a complex medical need, such as septicemia or behavioral health or substance abuse issues, that require more intensive services.

The costs incurred by hospitals for caring of these patients, who are often referred to as "waitlisted patients," is concerning. A 2014 report by the Hawaii Health Information Corporation found that there were 7,055 patients who were waitlisted in Hawaii hospitals in 2011. The costs to hospitals of taking care of those patients was \$1,259 per day, with a net annual loss of approximately \$60 million. Further, patients who need acute care services may

not be able to access a hospital bed if it is taken up by an individual who no longer meets that level of care but cannot be moved to an appropriate facility.

We appreciate that the legislature is discussing this issue and would ask for your support in continuing the conversation by approving this resolution and establishing a working group. We believe that this group of stakeholders can come together and find a way to ease the bottleneck currently occurring in our hospitals and ensure that every patient receives appropriate, high-quality care.

Thank you for your consideration of this important matter.

**April 21, 2017 at 9:30 AM**  
**Conference Room 211**

**Senate Committee on Ways and Means**

To: Chair Jill N. Tokuda  
Vice Chair Donovan M. Dela Cruz

From: Michael Robinson  
Vice President & Government Relations  
Hawaii Pacific Health

**Re: Testimony in Support of HCR 161,  
Requesting the Convening of a Working Group Relating to Complex Patients**

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My name is Michael Robinson, Vice President and Government Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system with over 70 locations statewide including medical centers, clinics, physicians and other caregivers serving Hawai'i and the Pacific Region with high quality, compassionate care. Its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox – specialize in innovative programs in women's health, pediatric care, cardiovascular services, cancer care, bone and joint services and more. Hawai'i Pacific Health is recognized nationally for its excellence in patient care and the use of electronic health records to improve quality and patient safety.

Hawaii Pacific Health would like to thank the committee for the opportunity to **support** HCR 161. This resolution requests the MedQUEST administrator to convene a working group to evaluate the issue of complex patients who are waitlisted in hospitals and consider potential solutions that encourage long-term care facilities to take these patients, such as an add-on or incentive payment.

The current Medicaid level of reimbursement for long-term care facilities does not match the cost of providing services to health care patients with medically complex needs. This makes it difficult for hospitals to locate a placement for patients who no longer need acute care yet have complex medical needs because the costs are prohibitively high for longterm care facilities. Convening a workgroup to find the best solution to this issue will improve the flow of patients through the health care continuum and preserve access to health care in Hawai'i.

Hawai'i Pacific Health strongly supports the creation of this much needed workgroup and would be willing to participate and be part of this dialogue.

Thank you for your consideration of this important topic and for the opportunity to testify in support of HCR161.

**April 21, 2017 at 9:30 AM**  
**Conference Room 211**

**Senate Committee on Ways and Means**

To: Chair Jill N. Tokuda  
Vice Chair Donovan M. Dela Cruz

From: Laura Westphal RN, MBA, CPHQ  
Past President of AONE Hawaii

**Re: Testimony in Support**  
**HCR 161, Requesting the Convening of a Working Group Relating to Complex Patients**

The American Organization of Nurse Executives (AONE Hawaii) would like to thank the committee for the opportunity to **support** HCR 161. This resolution requests the MedQUEST administrator to convene a working group to evaluate the issue of complex patients who are waitlisted in hospitals and consider potential solutions that encourage long-term care facilities to take these patients, such as an add-on or incentive payment.

All too often, patients who no longer need an acute level of care end up residing in a hospital for many months because the cost of caring for that patient in a long-term care facility is much higher than what the facility would receive in reimbursements from the Medicaid program. The predominant reason that the costs are so high is that a patient has a complex medical need, such as septicemia or behavioral health or substance abuse issues, that require more intensive services.

The costs incurred by hospitals for caring of these patients, who are often referred to as “waitlisted patients,” is concerning. A 2014 report by the Hawaii Health Information Corporation found that there were 7,055 patients who were waitlisted in Hawaii hospitals in 2011. The costs to hospitals of taking care of those patients was \$1,259 per day, with a net annual loss of approximately \$60 million. Further, patients who need acute care services may not be able to access a hospital bed if it is taken up by an individual who no longer meets that level of care but cannot be moved to an appropriate facility.

We appreciate that the legislature is discussing this issue and would ask for your support in continuing the conversation by approving this resolution and establishing a working group. We believe that this group of stakeholders can come together and find a way to ease the bottleneck currently occurring in our hospitals and ensure that every patient receives appropriate, high-quality care.

Thank you for your consideration of this important matter.

**April 21, 2017 at 9:30 AM**  
**Conference Room 211**

**Senate Committee on Ways and Means**

To: Chair Jill N. Tokuda  
Vice Chair Donovan M. Dela Cruz

From: Laura Westphal RN, MBA, CPHQ  
CNO and VP of Patient Care  
Castle Medical Center

Re: **Testimony in Support**  
**HCR 161, Requesting the Convening of a Working Group Relating to Complex Patients**

I would like to thank the committee for the opportunity to **support** HCR 161. This resolution requests the MedQUEST administrator to convene a working group to evaluate the issue of complex patients who are waitlisted in hospitals and consider potential solutions that encourage long-term care facilities to take these patients, such as an add-on or incentive payment.

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