

SB977

Measure Title: RELATING TO THE HAWAII HEALTH AUTHORITY.
Report Title: Hawaii Health Authority; Repeal.
Description: Abolishes the Hawaii Health Authority.
Companion: [HB1111](#)
Package: Governor
Current Referral: CPH/JDL, WAM
Introducer(s): KOUCHI (Introduced by request of another party)

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON COMMERCE, CONSUMER PROTECTION,
AND HEALTH AND JUDICIARY AND LABOR
ON
SENATE BILL NO. 977

February 10, 2017
8:30 a.m.
Room 016

RELATING TO THE HAWAII HEALTH AUTHORITY

Senate Bill No. 977 abolishes the Hawaii Health Authority (Authority) by repealing Chapter 322H, Hawaii Revised Statutes. While the Authority has duly and thoughtfully advanced Hawaii's health policy debate through the performance of its duties there is an overriding need to streamline, consolidate, realign, and position the broader statewide health policy activities, functions, and discussions under the State Health Planning and Development Agency (SHPDA).

The Department of Budget and Finance supports this Administration Proposal that was submitted by the State of Hawaii Department of Health.

Thank you for your consideration of our comments.



AMERICANS FOR DEMOCRATIC ACTION

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| Karin Gill, Secretary | Chuck Huxel | | | |

February 7 , 2017

TO: Honorable Chairs Baker and Keith-Agaran and Members of the CPH and JDL Committees

RE: SB 977 Relating to the Hawaii Health Authority

Opposition for hearing on Feb. 10

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We oppose SB977 as it would abolish the Hawaii Health Authority. Under the threat of the abolition of the Affordable Care Act, the state should be looking at ways to fill the void and not create more void in our public healthcare policy. The most efficient and comprehensive system of healthcare is the single-payer systems used by most industrialized nations. We should be moving toward this goal not away from it. Fund the HHA; don't abolish it.

Thank you for your consideration.

Sincerely,

John Bickel
President

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 2:56 PM
To: CPH Testimony
Cc: wao-hsl@WeAreOne.cc
Subject: Submitted testimony for SB977 on Feb 10, 2017 08:30AM

SB977

Submitted on: 2/6/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---|---------------------------|---------------------------|
| Joseph Kohn MD | We Are One, Inc. - www.WeAreOne.cc - WAO | Oppose | No |

Comments: Strongly Oppose.

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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COMMUNITY COALITION FOR
HAWAII UNIVERSAL HEALTHCARE
THROUGH COMPREHENSIVE PLANNING

February 8, 2017

To: The Honorable Rosalyn H. Baker, Chair
The Honorable Clarence K. Nishihara, Vice Chair, and Members of the
Committee on Commerce, Consumer Protection, and Health

The Honorable Gilbert S.C. Keith-Agaran, Chair
The Honorable Karl Rhoads, Vice Chair, and Members of the
Committee on Judiciary and Labor

Re: SB 977 – Abolition of the Hawaii Health Authority

Position: **Strong Opposition**

Hearing: Friday, February 10, 2017, 8:30 a.m. Conference Room 016

Dear Chair Baker, Chair Keith-Agaran, and Members of the Committees:

Hawaii's Healthcare is in Crisis – Threatened from Two Major Directions

Hawaii's healthcare is threatened both by the way the Affordable Care Act (ACA – “Obamacare”) has evolved, and by what the Trump administration and the Republican Congress are now threatening to do to it. BOTH of these factors pose existential threats to Hawaii's healthcare systems and to the people of Hawaii.

The Hawaii Health Authority (HHA) is an extremely important bulwark in responding to this dual crisis. To abolish the HHA at this juncture is exactly the wrong response to this crisis.

The First Part of America's – and Hawaii's - healthcare crisis already exists because of the way the Affordable Care Act (ACA) has evolved. Hawaii is ALREADY facing a healthcare CRISIS for everyone – consumers, doctors, and employers:

- *Right now, a recent Hawaii survey shows that 47% of doctors in private practice in HAWAII are already turning away new Medicare and new Medicaid patients, because of unreasonably burdensome documentation, reporting, and preauthorization requirements, and because of unreasonably low rates of compensation. See <https://crowncaresi.wordpress.com/2016/10/23/finding-a-primary-care-doctor-on-oahu/>.*

- *Regrettably, the ACA, combined with recent amendments in the Medicare Access and CHIP Reauthorization Act (MACRA), are the primary source of the very onerous documentation, reporting, and prior approval requirements that are having destructive and costly effects on healthcare delivery in Hawaii today. As a result, **doctors' overhead costs have increased by over \$40,000 per doctor per year**, and they must now spend twice as much time paying attention to their computers as to their patients. See <http://annals.org/aim/article/2546704/allocation-physician-time-ambulatory-practice-time-motion-study-4-specialties>.*

- *Businesses are struggling to afford health insurance premiums. Many people are forced into medical bankruptcy due to high out-of-pocket expenses for serious illnesses.*

Healthcare is one of those rare industries in which competition does NOT promote efficiencies and financial savings. The opposite is true: Physicians, hospitals, and other medical providers must deal with the different coding systems, pharmaceutical formularies, pre-authorization requirements, and other differing documentation and authorization demands of different insurers. It's almost like needing multilingual translators on staff to deal with the myriad requirements of the different insurers.

As noted above, many doctors are leaving direct doctor-patient practice in frustration at the huge added costs and demands on their time that add nothing meaningful to their patients' care. Those doctors are either retiring or going into administrative or other work that does not directly involve patient care.

The Second Part of America's healthcare crisis is still on the horizon. We don't yet know what it really will be: We don't yet know when this tsunami will hit Hawaii and what precise form it will take. It is the constellation of threats emanating from the Trump administration and the Republican-controlled Congress. These threats are not yet clearly in focus, but the outlines are not pretty. They appear to include the following

This new crisis includes (1) the threat to abolish ACA-Obamacare, at least in part. At a date that may be imminent, and may be sometime later. Unless Hawaii can enact timely effective defensive legislation, this threat would reinstate such seemingly bygone life-threatening issues as denials of insurance coverage because of pre-existing conditions.

This new crisis also includes (2) the vague threat to curtail Medicare benefits in as yet unclarified ways. This would severely affect Hawaii's seniors, both those who are State Government retirees and those who are not, as well as the disabled.

This new crisis also includes (3) the rather more explicit threat to severely curtail, if not completely abolish Medicaid benefits. Some 350,000 Hawaii residents currently rely on Medicaid for healthcare. They will definitely be in actual, immediate crisis if Medicare is severely curtailed, and that is the current threat, when Congress and the Trump administration speak of "block grants" – which is code for radical cuts in funding. These cuts will likely be massive and will be devastating when they hit us.

Who We Are

We are an unpaid group of Hawaii residents who recognize the crisis in healthcare in Hawaii and how that crisis is being made much worse by what's happening in Washington. We represent literally thousands of very politically active Hawaii residents, mostly active Democrats, who are anxiously expecting major progress in healthcare legislation this year.

Although our group cannot speak officially for the Democratic Party of Hawaii (DPH), the Legislature should be receiving official communications from DPH reflecting that it is a legislative priority of the Party to support revitalization of the Hawaii Health Authority.

Why Abolishing the HHA at This Time is Exactly the WRONG THING TO DO.

SB 977 is an Administration bill to abolish the Hawaii Health Authority (HHA). The administration contends that all necessary healthcare planning can be accomplished by two other

existing State agencies, the State Health Planning and Development Agency (SHPDA), located at the Department of Health, and the Health Care Innovation Office (HCIO), in the Governor's office.

Moreover, the Administration bill would not even mandate planning at all! No plan, no timetable, no deadlines. Nothing.

And even if planning were actually allowed to take place, the agencies left to do the job would be the wrong ones.

SHPDA is an inappropriate agency for overall healthcare planning: It is responsible for certifying under federal law when and where new *physical* facilities such as hospitals, MRI facilities, dialysis centers, etc., are allowed to be built, so as to prevent the proliferation of unneeded facilities. SHPDA has a skeleton staff that is focused on these issues of physical facilities. SHPDA lacks both the expertise and staff to plan for a system of healthcare delivery.

Similarly, HCIO is inappropriate to the task of comprehensive healthcare planning. HCIO is a carry-over from former Governor Abercrombie's "Health Transformation Initiative," later renamed "The Hawaii Health Project." It was originally funded by the health insurance companies and was focused on implementing the Affordable Care Act (ACA).

HCIO has been focused on implementing the very policies of ACA and MACRA that are causing physician dissatisfaction and burnout. HCIO has neither the staffing, nor the independence to develop the plans that we need to establish universal care. Indeed, HCIO's payment structures, policies, and procedures are a very big part of the current crisis that is driving Hawaii's medical professionals out of business!

We are reminded of the first precept of the Hippocratic Oath, the oath that legend tells us has been taken by new physicians since the times of the Ancient Greeks: **First, do no harm.** We regret to say that SB 977 violates the Hippocratic Oath!

We are facing urgent crises both at the present time because of private insurer competition that is driving insurance rates 30% over where they should be and simultaneously causing physicians to refuse Medicare and Medicaid patients, plus the unknown threats from Washington.

To propose to abolish the Hawaii Health Authority in the face of these crises is – frankly – simply wrong.

We emphatically need the HHA to design a new model for healthcare reform focused on administrative simplification, reduced healthcare overhead, and lowering healthcare prices, not misguided attempts to incentivize reduced utilization of health services via imposing more and more administrative burdens – which is what is happening now.

The HHA was designed by this Legislature to create exactly the type of plan that would end those problems. Lowering the cost of healthcare will save money for everyone. Simplifying and guaranteeing access to healthcare for all Hawaii residents will increase the quality of our lives.

And nothing prevents this Legislature from tasking the HHA with broader requests to study alternatives. It's been something of a "lifetime" during the eight years since 2009 – pre-Obamacare to now, the Era of Donald Trump.

We must not close the collective eyes and cover the collective ears of the people of Hawaii to what has been happening. We need healthcare planning in the public interest, by an agency whose sole role is planning and policy-making, and does not have conflicts of interest. That agency is the Hawaii Health Authority. There is no other agency that is able to do this job.

For these many reasons, **we urge your Committees to kill SB 977, which would abolish the Hawaii Health Authority. Hawaii must move toward a universal healthcare system.**

Preferably, we urge the Committees to amend SB 977 to incorporate the provisions of SB 1269, which would revitalize HHA, give it some modest funding, and task it with the duty to develop the essential healthcare planning that Hawaii desperately needs during this crisis. SB 1269 has the support of at least eleven co-sponsoring Senators.

Thus, despite our respect for the Governor and the Department of Health, we believe that HHA is the only agency to fill this critical healthcare planning role. And we cannot let the mandate in HRS Chapter 322H for future healthcare planning die. It is more important now than ever before.

We will be very happy to meet with any and all Legislators who wish to discuss this very serious and urgent matter. We are available to provide whatever additional relevant information we can. Thank you very much again for your kind attention to this situation.

Very truly yours,

Alan B. Burdick
Leslie Hartley Gise, MD
Dennis B. Miller
Daria Fand

Stephen Kemble, MD
Bart Dame
Erynn Fernandez
Karen Cobeen

Please reply c/o Alan B. Burdick, burdick808@gmail.com, 486-1018



February 6, 2017

TIM VANDEVEER
Chair
MARIE STRAZAR
Vice Chair

MARGARET WILLE
SEAN SMITH
Legislative Committee Co-Chairs

RE: SB1269 “Relating To The Hawaii Health Authority”

Honorable Rosalyn H. Baker, Chair
Committee on Commerce, Consumer Protection & Health

Dear Senator Baker:

One of the Democratic Party of Hawaii’s legislative priorities for the 2017 legislative session is to revitalize the Hawaii Health Authority and require that the Authority prepare a comprehensive health plan for Hawaii’s residents. Accordingly, DPH stands in support of SB1269, the intent of which is to fund and staff the Hawaii Health Authority and require the preparation of a comprehensive health plan for the 2018th Legislative Session. Given the current crisis in health care, taking an immediate step towards assessment of the options available to achieve a comprehensive state health plan is urgently needed. Moving forward at this time is also appropriate given the Trump Administration’s support for individual state’s to take the lead on establishing a health plan that addresses the individual health needs of its residents.

SB1269 has been referred to the Committee on Commerce, Consumer Protection & Health. Yet, a hearing has not been scheduled on this important legislation. For these reasons we ask that you act to ensure the Committee’s staff takes whatever actions are necessary to schedule a hearing before the upcoming hearing deadline. Without your help this Bill will die.

Respectfully submitted,

/s/ Tim Vandever (tim@hawaiidemocrats.org)
Chair of the Democratic Party of Hawai‘i
/s/ Marie (Dolly) Strazar (hilomds@gmail.com)
Vice Chair of the Democratic Party of Hawai‘i
/s/ Margaret Wille (margaretwille@mac.com)
/s/ Sean Smith (simashang@yahoo.com)
Legislative Committee Co-Chairs

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 10:38 PM
To: CPH Testimony
Cc: aloha-cobeen@hawaii.rr.com
Subject: *Submitted testimony for SB977 on Feb 10, 2017 08:30AM*

SB977

Submitted on: 2/7/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| K. Cobeen | Individual | Oppose | No |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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SB 977

I write to express my strong opposition to the elimination of the Hawaii Health Authority (HHA). It is needed now more than ever. There is every reason to continue it and no reason to abandon it.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 1:42 PM
To: CPH Testimony
Cc: spawaikiki@gmail.com
Subject: Submitted testimony for SB977 on Feb 10, 2017 08:30AM

SB977

Submitted on: 2/7/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------------|---------------------------|--------------------|--------------------|
| dennis boyd miller | Healthcare for All Hawaii | Oppose | Yes |

Comments: Dear Senators, I'm Dennis Miller, a Waikiki resident. I'm also part of a group of people who have worked with Dr. Stephen Kemble on providing education to the public about why the state needs the Hawaii Health Authority to fix our health care crisis. Regarding SB977 Committee CPH/JDL Room 016 Feb 10, 2017 at 8:30 am, I am writing to ask you to oppose this bill. Yesterday I was at the capitol for the public testimony on what the impacts of the ACA repeal might be on Hawaii, and how Hawaii's insurance companies can prepare for those impacts. The content of that testimony underscores why we need the HHA. At no point during the entire 'Impact of ACA repeal' testimony was mention made of two of the very most vital concerns which any attempt at reforming health care in Hawaii should focus on. 1. We need to lower the cost of our Health Care. That requires taking a look at where we spend the most money. We spend the most money on administrative procedures, especially on the manner in which physicians are reimbursed. The current 'pay for value' system creates enormous costs and it burns doctors out with its complexities. If, as Dr. Stephen Kemble has suggested, we change to a 'pay per time' model, we can eliminate 70% of the administrative costs we are now spending. Currently, administrative costs are about 35% of total health care spending. 2. We can't do anything about the reasons why 47% of doctors in Hawaii refuse to accept Medicare patients unless we can get rid of the burden of complex reporting requirements and the low pay provided by Medicare. The HHA can get federal waivers to capture Medicare and Medicaid revenue. If the state received those waivers, then the state can end the Insurance Company created reasons why nearly half of Hawaii's doctors say No! to Medicare. Neither of these two points were brought up by the state's insurance company representatives at yesterdays hearing. By abolishing the HHA, the state is not availing itself of all options for devising a plan for our health care crisis. The expertise of many doctors such as Dr. Kemble can and should be considered. Funding the HHA is a relatively tiny investment in a potentially massively less expensive and higher functioning Universal Health Care System. Please allow time to hear Dr. Kemble explain how we can lower the cost of health care and improve its delivery in Hawaii. Thank you, Dennis Miller

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 3:32 PM
To: CPH Testimony
Cc: tulsigreenlee@icloud.com
Subject: *Submitted testimony for SB977 on Feb 10, 2017 08:30AM*

SB977

Submitted on: 2/6/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Tulsi Greenlee | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 3:07 PM
To: CPH Testimony
Cc: cchaudron08@gmail.com
Subject: Submitted testimony for SB977 on Feb 10, 2017 08:30AM

SB977

Submitted on: 2/6/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Camila Chaudron | Individual | Oppose | No |

Comments: Aloha, my name is Camila Chaudron and I am a constituent from the Manoa/Makiki area. I OPPOSE this bill because I believe that health care is a fundamental human right, and repealing this statute would be detrimental to moving Hawaii forward. Mahalo for voting NO on this bill.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 12:00 PM
To: CPH Testimony
Cc: katharyn.morgan@gmail.com
Subject: Submitted testimony for SB977 on Feb 10, 2017 08:30AM

SB977

Submitted on: 2/6/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Katharine Morgan | Individual | Comments Only | No |

Comments: I oppose this bill as I believe that universal health care is a right for all people. My own experience of living in Canada with affordable and accessible health care has shown me this is possible and economically feasible.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 11:04 AM
To: CPH Testimony
Cc: beherejoan@gmail.com
Subject: Submitted testimony for SB977 on Feb 10, 2017 08:30AM

SB977

Submitted on: 2/6/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Joan Nielsen | Individual | Comments Only | No |

Comments: I appose SB977 because I believe the Hawaii Health Authority is needed. This organization consists of informed professionals who have been involved in providing health care for all Hawaiian residents. Let them proceed. I have lived in Hawaii for 7 years and had over 10 different doctors because they move, or I have to change an insurance policy because of work, retirement, or cost. Keep doctors here, make health care a right, not the confusing organization constantly shifting. Mahalo

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 6:50 AM
To: CPH Testimony
Cc: katc31999@gmail.com
Subject: *Submitted testimony for SB977 on Feb 10, 2017 08:30AM*

SB977

Submitted on: 2/6/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Kat Culina | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 6:50 AM
To: CPH Testimony
Cc: lady.flach@gmail.com
Subject: *Submitted testimony for SB977 on Feb 10, 2017 08:30AM*

SB977

Submitted on: 2/6/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Teri Heede | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 12:34 PM
To: CPH Testimony
Cc: nataliejeanf@gmail.com
Subject: *Submitted testimony for SB977 on Feb 10, 2017 08:30AM*

SB977

Submitted on: 2/8/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| natalie forster | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 9, 2017 7:52 AM
To: CPH Testimony
Cc: gandolfsea@hotmail.com
Subject: Submitted testimony for SB977 on Feb 10, 2017 08:30AM

SB977

Submitted on: 2/9/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Eduardo A. Gandolfo | Individual | Oppose | No |

Comments: My name is Eduardo A. Gandolfo and I live in Kihei, Maui. I would like to state my strong opposition to SB977, which would repeal the Hawaii Health Authority (HHA). From my understanding the HHA was created to find a cost effective way to provide health coverage for everyone that calls Hawaii home. I am opposed to any measures which would seek to abolish a body which is tasked with saving money and helping people in such a manner.

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 9, 2017 7:17 AM
To: CPH Testimony
Cc: saljobst@hotmail.com
Subject: Submitted testimony for SB977 on Feb 10, 2017 08:30AM

Categories: DM Hearing - no testimony

SB977

Submitted on: 2/9/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| sallyjane Bodnar | Individual | Oppose | No |

Comments: Given the current federal health situation, it is important that Hawaii make plans and to coordinate with or possibly replace the ACA, whatever form it may take. Insurance companies must be able to predict in order to provide medical care. Medical care for everyone protects the entire population from diseases, economic hardship and coordination with federal provisions will be required. I would prefer a single payer option, and that will require much specialized planning. Lower costs can be optimized as well, if coordination can be planned. I found the Canadian health care system far better than even the ACA.

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 9, 2017 6:02 AM
To: CPH Testimony
Cc: alex.beers@gmail.com
Subject: Submitted testimony for SB977 on Feb 10, 2017 08:30AM

SB977

Submitted on: 2/9/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| alex beers | Individual | Comments Only | No |

Comments: Aloha, I am opposing SB977. I would like to keep the possibility of universal health care alive. Lets set the example for the country to fallow! Blessings, Alex Beers

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 10:26 PM
To: CPH Testimony
Cc: dmitts@kohalacenter.org
Subject: *Submitted testimony for SB977 on Feb 10, 2017 08:30AM*

SB977

Submitted on: 2/8/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Donna Mitts | Individual | Oppose | No |

Comments:

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The HHA: passed in 2009



The Hawaii Health Authority, if funded, will design a Universal Health Care System covering everyone in Hawaii.*

How well their plan focuses on the public interest depends on the public and political will for a plan that is created with 100% independence from insurance industry pressure.

However, our first hurdle is to pass HB129 and SB1269 which funds the HHA. Then the HHA designs the plan, gets the federal waivers to capture Medicaid and Medicare revenue, which eliminates current issues with Medicare, and submits that plan to the legislature for approval prior to Dec 2017.

Then the legislature reviews the plan in 2018. If passed, the plan could be implemented 'over night' on January 1, 2019.

*Excluding people who receive healthcare services through the US military or the VA.



Benefits for Physicians:



Dr. Stephen Kemble writes:

“The HHA plan focuses on administrative simplification by keeping payment for physicians and hospitals as incentive-neutral as possible, eliminating the justification for micromanagement of care. The proposal would base physician pay on professional education and training and time spent caring for patients, and end “pay-for-documentation.” It would eliminate pay-for-performance, and most prior authorizations by removing unaccountable middle men (e.g. pharmacy benefits managers) from health care, and greatly simplify billing and collections.”

Translation:

A massive reduction - 70% to 80% - in administrative spending allows the cost of the plan to decrease while increasing the quality, simplicity, and availability of the 'Universal Health Care Plan.'

HEALTH CARE IS A HUMAN RIGHT



Benefits for Businesses



- 1 Lower cost Health Care Plans are possible if we eliminate 70% to 80% of the 35% of Health Care dollars which are wasted on administrative costs.
- 2 Workers Comp Insurance can be folded into the 'One Plan' available to all residents, resulting in enormous simplification.

Testimony submitted by: Scott Goto

Regarding: SB977

TO:

Senate Committee on Commerce, Consumer Protection, and Health (CPH)
The Honorable Rosalyn Baker, Chair
The Honorable Clarence Nishihara, Vice Chair
Honorable Members of the Committee

Senate Committee on Judiciary and Labor (JDL)
The Honorable Gilbert Keith-Agaran, Chair
The Honorable Karl Rhoads, Vice Chair
Honorable Members of the Committee

Position: STRONG OPPOSITION

Dear Chair Baker, Chair Keith-Aragon, and Committee Members,

I am writing to strongly oppose SB977, which would repeal the Hawaii Health Authority. The HHA was established to create a comprehensive health plan to cover all residents in Hawaii, something that I firmly believe in. While I am fortunate enough to have a job that provides me with great health insurance, my heart goes out to those who are not so fortunate. Please keep the HHA alive so that it can bring universal health to all the people of Hawaii. Please do not pass SB977.

Mahalo,
Scott Goto

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 9:45 PM
To: CPH Testimony
Cc: babyjean@hotmail.com
Subject: *Submitted testimony for SB977 on Feb 10, 2017 08:30AM*

SB977

Submitted on: 2/8/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Ronnie Perry | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 9:17 PM
To: CPH Testimony
Cc: nihipalim001@hawaii.rr.com
Subject: Submitted testimony for SB977 on Feb 10, 2017 08:30AM

SB977

Submitted on: 2/8/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Michele Nihipali | Individual | Oppose | No |

Comments: We need healthcare planning in the public interest, by an agency whose sole role is planning and policy-making, and does not have conflicts of interest. That agency is the Hawaii Health Authority . For these many reasons, we urge your Committees to kill SB 977, which would abolish the Hawaii Health Authority. Hawaii must move toward a universal healthcare system. Preferably, we urge the Committees to amend SB 977 to incorporate the provisions of SB 1269, which would revitalize HHA, give it some modest funding, and task it with the duty to develop the essential healthcare planning that Hawaii desperately needs during this crisis. Thank you for your consideration in this matter, Michele Nihipali MPH,

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 4:12 PM
To: CPH Testimony
Cc: ljb3@ljb3.com
Subject: Submitted testimony for SB977 on Feb 10, 2017 08:30AM

SB977

Submitted on: 2/8/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| LJ Bates III | Individual | Oppose | No |

Comments: I am amazed that such a concept, to abolish the HHA, could even be proposed, let alone supported. The HHA is a crucial organization to advance and evolve our healthcare system. I strongly oppose this measure.

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 2:25 PM
To: CPH Testimony
Cc: shannonkona@gmail.com
Subject: Submitted testimony for SB977 on Feb 10, 2017 08:30AM

SB977

Submitted on: 2/8/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Shannon Rudolph | Individual | Oppose | No |

Comments: STRONGLY OPPOSE!!!

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Testimony submitted by: Daria A. Fand, Consumer and Public Health Advocate, Honolulu, HI

Regarding: SB977, that would abolish/repeal the Hawaii Health Authority

For public hearing: Friday, February 10, 2017, 8:30 AM, Conf Room 016

TO:

Senate Committee on Commerce, Consumer Protection, and Health (CPH)
The Honorable Rosalyn Baker, Chair
The Honorable Clarence Nishihara, Vice Chair
Honorable Members of the Committee

Senate Committee on Judiciary and Labor (JDL)
The Honorable Gilbert Keith-Agaran, Chair
The Honorable Karl Rhoads, Vice Chair
Honorable Members of the Committee

Position: STRONG OPPOSITION

I would like to thank both of these committees for giving me the opportunity to testify today, in strong opposition to this measure. I have also submitted more detailed testimony for this hearing as a member named in a Community Coalition statement. However, I would like to add my personal, broad comments as well, as an individual.

In 2009, the full Legislature established by law the existence of the Hawaii Health Authority (HHA), over the veto of Governor Lingle. I can't imagine a stronger mandate from the citizens of Hawaii, asking that this body, the Legislature, as well as the Executive Branch, recognize the importance of an agency. We have made it clear, through this lawmaking body, that we value and entrust the HHA with planning and introducing a viable, sustainable system that will profoundly affect a fundamental aspect of all our lives: our healthcare.

I believe we are all on the same page that, given the volatile changes taking place on the federal level, Hawaii faces considerable peril and unknowns. As a Medicare and Medicaid recipient, I am all too aware of this grave specter. We face a crisis of care accessibility and inclusivity, solvency, affordability, appropriate provider compensation, and provider burnout. This high-stakes situation began brewing even before the Trump Administration, and only promises to escalate.

I appreciate that there is currently a measure being considered in the Senate to salvage the best parts of the Affordable Care Act (ACA) through existing entities and models, and to shift funding around to try to anticipate any eventuality. I appreciate the immediacy and complexity of the situation we are faced with, and the imperative of having a stop-gap plan in place, which such legislation is striving for.

However, that is what it amounts to: a stop-gap measure. It cannot avert the increasing unsustainability of our healthcare delivery status quo. It cannot address the growing contingent of doctors refusing new Medicare and Medicaid patients, such as myself. It can't address the dropping of services I was once allowed. It cannot stop the hemorrhaging of administrative costs which continue to rise, on the backs of employers, doctors, and individuals who do not have employer-based health insurance, all the while providing disincentives for doctors to practice medicine as they deem appropriate. The ACA was a start, and it may be an interim model for us until a more cost-effective, efficient, and streamlined plan can be carefully researched and implemented, but it is not a solution to the rising cost of healthcare, and the unmet needs of doctors and patients. There are significant data supporting these claims, which those on the service front lines are able to present to you.

The HHA's mission is to devise just such a more comprehensive, cost-effective, efficient, and streamlined plan for all of Hawaii, ensuring that everyone will be universally covered, irrespective of income or employer status – as it should be, **since healthcare is a HUMAN AND SOCIETAL RIGHT, not a conditional service**. This is not an outlier concept – it is one that is gaining widespread traction among constituents all over this state, as mirrored in the national trend. Our state stands to be on the vanguard of such progress, with you, as lawmakers, at the helm. If anything, our demand to see the intent of the HHA supported and subsidized by this body is only stronger than it was in 2009.

This bill, SB977, proposes inadequate and bureaucratically unsound methodology, as compared to the way the HHA is designed to operate, as a policy-making body.

For all these reasons, I strongly urge you to kill this self-defeating measure. What is the value of extinguishing an agency that may propose fresh strategies for a growing, possibly unfixable problem? What is the value of taking any option off the table? The bills I have tried to advance this session to fund the HHA are probably dead. That is highly unfortunate; however, the least you must do is to KEEP this agency alive so that it can be considered in parallel to whatever other strategies are being considered. **Nothing is gained by repealing the HHA; it would only be a loss to all of us, as we navigate these uncharted waters, needing to keep ALL opportunities open.** Anything the HHA proposes would have to be researched diligently – but if it's gone, there is no one to conduct that policy research.

PLEASE vote "NO" on this measure. Keep alive an institution **that Hawaii's people supported before, support now, and want to keep alive**, that it may be activated as necessary.

Thank you for your deep and judicious consideration.

In OPPOSITION to SB977

Aloha Honorable Chair Baker, Chair Keith-Aragon, and Committee Members,

My name is Erynn Fernandez, and I am from Waialae Iki, Honolulu, Hawaii. I am writing to you today in strong opposition to SB977, repealing the Hawaii Health Authority (HHA). The HHA was entered in to law to prepare a comprehensive health plan to cover all residents in Hawaii. Given the recent events in Washington regarding health care, now more than ever, we should be supporting the research and construction of a plan that will do the most good for our people.

We have very little time to decide the trajectory of our actions in regard to health care. Re-institution of another body to plan and oversee that future could take years. As it is currently, and, if given a budget to allow the HHA to hit the ground running, 2019 would be the soonest progress on health care could be addressed.

Currently there is legislation proposed to bring the ACA mandates to State law. While this is a great start, there are still additional items that need to be addressed within that structure. We are not experiencing a crisis in health care now due to any changes the Trump administration or Congress has imposed. These are all the result of the status quo. Continuance of the status quo nets us zero progress.

Due to the volatile nature of what is occurring at the federal-level, I believe that we should revitalize the HHA and enable it to prepare a comprehensive plan at the state-level. Health care is too important to so many. By repealing the HRS Chapter 322H statute for the HHA, it seems as though Hawaii is willing to play "fast and loose" with people's health and lives.

Thank you for providing me the opportunity to testify and for taking the time to read my testimony.

Please vote no on SB977.

Erynn Fernandez

1551 Aulena Pl. Honolulu, HI 96821

CPH Testimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 1:17 PM
To: CPH Testimony
Cc: gtg333@gmail.com
Subject: Submitted testimony for SB977 on Feb 10, 2017 08:30AM
Attachments: Testimony Template.pages

SB977

Submitted on: 2/6/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Gill Gavin | Individual | Oppose | No |

Comments:

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OPPOSITION

Good Day Chairs Baker and Roads and Members,

My name is Marion Poirier, and I am an initial appointee of the Hawaii Health Authority (HHA). I OPPOSE this measure. Like all HHA members, I have special expertise in the field. Members were appointed from a variety of health, legal, and governmental backgrounds to provide a rich blend of perspectives.

PAST

The Legislature passed a bill to create the Hawaii Health Authority during the Lingle Administration. She vetoed it.

It was subsequently passed again by the Legislature and signed into law. There are provisions for three appointees each from the Governor, the Senate, and the House of Representatives. We were ceremoniously appointed at the Capitol, and eager to take on our challenges to create a strategic plan for universal health in Hawaii.

Then the "fun" began. An appropriation of \$100,000 to the Hawaii Health Authority was part of the statute. The then Governor's Office recommended that the funds be diverted to the Governor's Office. The Senate approved the transfer leaving the HHA pennyless. Incidentally we have never heard an accounting of that money. We struggled for the first few years to hold monthly meetings with agendas, minutes, and reports. We had been assigned to Budget and Finance, and our information was on their website. Because of zero resources and no support or attention we were forced into an inactive status. Of course, we requested meetings with the Governors. The outcome can be considered S.B. 977.

PRESENT

Nine originally appointed members stand idle while the federal government is flip-flopping on health provisions that are sure to affect Hawaii. We are needed like never before, and members can't understand why a bill would choose to abolish the Authority at this juncture. It simply doesn't make sense.

It does not make sense for other reasons. S.B. 977 suggests that the entities embraced in the Department of Health are already able to provide the legislative mandate of the HHA, without need for the HHA. If this were so, why do we still need a holistic plan to encompass the health needs of Hawaii? Why don't we have universal health care?

I submit that the Department of Health's (DOH) daily activities to supply health needs in Hawaii could not logistically allow it to step away from those responsibilities. I believe the DOH is already at maximum capacity. Also, I do not believe that the DOH as an operative could be objective. Finally, as a line agency the Department has neither the technical planning expertise, the money, nor the proper institutional level to create, coordinate, and implement a State of Hawaii Public Health Functional Plan.

The HHA is charged by statute to oversee the health needs of Hawaii and creatively and proactively produce a strategic holistic health plan of universality. On a personal note, I am very disappointed that Hawaii government would treat expert volunteers with such disrespect.

Please reactivate the Authority. Let us do our job. Then, and only then, might you have a reason to consider such action.

From a 2017 Super bowl perspective, why settle for a Matt Ryan yeoman effort when you can get a Tom Brady outcome.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 9, 2017 10:45 AM
To: CPH Testimony
Cc: tristanh314@gmail.com
Subject: Submitted testimony for SB977 on Feb 10, 2017 08:30AM

SB977

Submitted on: 2/9/2017

Testimony for CPH/JDL on Feb 10, 2017 08:30AM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Tristan D Holmes | Individual | Oppose | No |

Comments: With the federal protections of the Affordable Care Act in serious jeopardy, it is vital that Hawaii act at the state level to ensure access to affordable health care for all residents of the state. The Hawaii Health Authority could mature into a single payer health care system that would lower costs and improve care for all of Hawaii, it must not be stripped of its powers. I vehemently oppose this bill. Tristan Holmes, 96822

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**Colleen O'Shea Wallace, MPH
P.O. Box 1799
Makawao, Hi 96768
Ph. 986-8989/268-0286
colleenosheawallace@yahoo.com**

February 9, 2017

Aloha Senator Rosalyn Baker and members of the Health Committee:

My name is Colleen O'Shea Wallace, M.P.H.

I am from Pukalani, Hawaii and am writing to express my strong opposition to S. B. 977!

Having a Hawaii Health Authority is extremely important, especially at this time of uncertainty and change in national healthcare policy. No other Hawaii health planning entity exists which is able to accomplish any real health planning, and health policy planning is what we need as soon as possible here in Hawaii!

I majored in Health Policy Planning at the University of Hawaii, School of Public Health and am knowledgeable about SHPDA, an agency which has lost funding and staff since the early 1980's. SHPDA basically exists only to monitor public hearings and approve or disprove new applications for medical facilities for the Certificate of Need process per Federal Law.

This has nothing whatsoever to do with health policy planning!

The Hawaii Health Authority is the only agency which exists OUTSIDE of the Governor's office that can achieve independent health planning with independent recommendations to government.

We need to support the Hawaii Health Authority right now and appoint the full complement of nine Health Commissioners so that they may begin work this year in researching current health care options for Hawaii citizens and recommend a course of action for Hawaii health care THIS YEAR.

Please do not allow our Hawaii Health Authority to be abolished!!!

Mahalo for your attention to this important matter.

Sincerely,

Colleen O. Wallace, M.P.H.