

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of HB1105
RELATING TO EMERGENCY MEDICAL SERVICES**

REPRESENTATIVE DELLA BELATTI, CHAIR
HOUSE COMMITTEE ON HEALTH

Hearing Date: February 2, 2017

Room Number: 329

1 **Fiscal Implications:** Conversion of \$14,796,503 in special funds to general funds. Note: This
2 proposal is based on revenue projections made prior to the January 4, 2017 forecast of the
3 Council on Revenues.

4 **Department Testimony:** The Department of Health strongly supports HB1105, Relating to
5 Emergency Medical Services, which is part of Governor Ige's administrative package.

6 Hawaii's Emergency Medical Services (EMS) system is a statewide full-time professional
7 operation serving residents and visitors,

8 If enacted, HB1105 and state EMS policy as a whole must preserve the current level of funding
9 as of July 1, 2016, regardless of source of revenue or method of finance, to assure uninterrupted
10 services and continuity of the system. This measure proposes the abolishment of the EMS
11 Special Fund and redirects its deposits into the general fund for purposes of budget neutrality.
12 Furthermore, it is the intention of the department to request the equivalent amount in general
13 funds to be added to its base budget for fiscal year 2018 and for fiscal year 2019.

14 Technical Information

15 General funds comprise approximately 80% of the EMS system's funding. The revenue deposits
16 in scope for HB1105 comprise the remaining 20%. Those deposits are authorized by section
17 321-234, Hawaii Revised Statutes, and consist of:

- 18
- \$1.25 per each cigarette sold pursuant to section 245-15, HRS;

- 1 • \$5 from each annual motor vehicle registration fee pursuant to section 249-31, HRS; and
2 • Interest and investment earnings attributable to the moneys in the EMS Special Fund.

3 Total revenue deposits from all sources into the EMS Special Fund in FY2016 were
4 \$15,490,367.46.

5 Total expenditures from the EMS Special Fund in FY2016 were \$13,426,984.26.

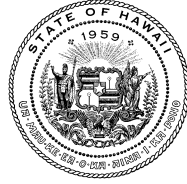
6 The remaining encumbrances, in the EMS Special Fund as of June 30, 2016, were
7 \$10,217,202,01.

8 **Offered Amendments:** N/A

9

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable Della Au Belatti, Chair
and Members of the House Committee on Health

Date: Thursday, February 2, 2017
Time: 8:30 A.M.
Place: Conference Room 329, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 1105, Relating to Emergency Medical Services

The Department of Taxation (Department) appreciates the intent of H.B. 1105 and provides the following comments for your consideration.

H.B. 1105 repeals the emergency medical services special fund and repeals the allocations to the fund under chapters 245 and 249, Hawaii Revised Statutes. The measure appropriates an equivalent amount to the Department of Health to administer the statewide comprehensive emergency medical services system. H.B. 1105 is effective July 1, 2017.

The Department can administer the changes to the Cigarette Tax and Tobacco Tax Law under chapter 245 created by this measure by the effective date.

Thank you for the opportunity to provide comments.

HONOLULU EMERGENCY SERVICES DEPARTMENT
CITY AND COUNTY OF HONOLULU

3375 KOAPAKA STREET, SUITE H-450 • HONOLULU, HAWAII 96819-1814
Phone: (808) 723-7800 • Fax: (808) 723-7836



KIRK CALDWELL
MAYOR

IAN T.T. SANTEE
ACTING DIRECTOR

February 1, 2017

The Honorable Della Au Belatti, Chair
The Honorable Bertrand Kobayashi, Vice-Chair
House Committee on Health
House of Representatives
Twenty-Ninth Legislature
Regular Session of 2017

Re: HB1105 Relating to Emergency Medical Services

Dear Chair Belatti and Vice Chair Kobayashi, and Members:

The Honolulu Emergency Services Department, Emergency Medical Services Division, is opposed to HB1105.

Health issues attributed to smoking last a life time. Even though we see declining rates of smoking, medical issues have already started. We respond to many medical issues that are directly and indirectly related to use of cigarettes. Additionally, the vehicle tax for registration designated for this fund is equally important. We respond to many pedestrian and traffic accidents.

At the City and County of Honolulu alone, Emergency Medical Services responded to 90,452 calls last year. Five years ago, which was the last time we added another ambulance unit, we responded to 77,134 calls. That is a 15% increase in call volume. It is difficult to take care of the community when we don't have the funds to sustain ambulances, equipment, personnel and the ever growing population.

We need additional funding in addition to the general fund to support the ever growing EMS system. Decrease in any type of funding or funding source will make it very challenging.

We, the Honolulu Emergency Services Department, are opposed to HB1105.

Sincerely,

A handwritten signature in black ink, appearing to read "Ian T.T. Santee", is written over a horizontal line.

Ian T.T. Santee
Acting Director

TO: REPRESENTATIVE DELLA AU BELATTI, CHAIR
REPRESENTATIVE BERTRAND KOBAYASHI, VICE CHAIR

MEMBERS OF THE HOUSE COMMITTEE ON HEALTH

FROM: CHERYL VASCONCELLOS, EXECUTIVE DIRECTOR
HANA HEALTH

DATE: January 31, 2017

**TESTIMONY ON HB1105
RELATING TO EMERGENCY MEDICAL SERVICES**

Hana Health supports HB1105, Relating To Emergency Medical Services, in so much as it continues the Community Health Center Special Fund and assures support of the statewide comprehensive emergency medical services system through a general funds appropriation equal to what has been provided through the Emergency Services Special Fund in the past.

The Community Health Center Special Fund provides funding for Hana Health to serve 2,500 residents and more than 600,000 visitors annually. Hana, Maui is one of the most isolated areas in the state. Located fifty-seven miles from Wailuku, the trip takes approximately two hours along a single lane road with six hundred seventeen turns and fifty-six one-lane bridges. Hana has been designated by the federal government as a Medically Under-Served Population, a Primary Care Health Professional Shortage Area, a Dental Health Professional Shortage Area and a Mental Health Professional Shortage Area. Hana Health is the only health care provider in the district, providing the full scope of primary medical, dental and behavioral health care with a special emphasis on meeting the health care needs of the significant Native Hawaiian population.

In addition to providing primary care to this under-served community, Hana Health is an integral part of the statewide emergency services system, providing urgent/emergent medical treatment to seriously ill patients who either come to the health center on their own or are brought to the health center by ambulance. When needed, Hana Health

coordinates transport of patients to the Maui Memorial Medical Center with the support of American Medical Response. This takes place seven days a week, 24 hours a day, 365 days a year. In 2016, two hundred and fifty-four (254) patients were cared for **after** regular health center hours, including 59 (23%) visitors to Hana. This does not include the urgent care patients served during regular operating hours.

State funding for Hana Health is mandated by ACT 263 which guarantees continued state financial support to sustain the development of a community based health care program in the Hana District. **The state has met its obligation in this regard through the Community Health Center Special Fund.** Since, its inception, the special fund has provided Hana Health with a stable funding mechanism, assuring that needed medical care and support services would continue to be available in the Hana community. State funding has been used to successfully leverage federal dollars to support and expand needed health care in the district. Prior to establishment of the special fund, Hana Health was forced to secure an appropriation through the legislative process every year. This unpredictable approach to maintaining a health care delivery system in our remote community results in a loss of providers, erratic service delivery and subsequently poor patient outcomes.

We urge you to support the Community Health Center Special Fund, and appropriate the funds necessary for the operation of a statewide emergency medical services system. Thank you for your consideration.