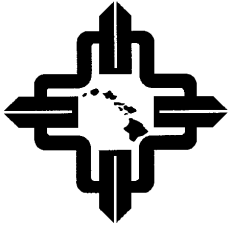


HB 1539 HD 1

| | |
|-------------------|---|
| Measure Title: | RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION. |
| Report Title: | HHSC; Oahu Region; Consolidation |
| Description: | Integrates the Oahu regional health care system into the Hawaii Health Systems Corporation board. (HB1539 HD1) |
| Companion: | |
| Package: | None |
| Current Referral: | CPH, WAM |
| Introducer(s): | NAKASHIMA, BELATTI, CULLEN, LUKE, MIZUNO, SAIKI, San Buenaventura |



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Quality Healthcare For All"

Senate Committee on Commerce, Consumer Protection, and Health
Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair

March 13, 2019
Conference Room 229
9:00 a.m.
Hawaii State Capitol

**Testimony supporting House Bill 1539, H.D. 1
Relating to the Hawaii Health Systems Corporation.
Integrates the Oahu regional health care system into the Hawaii Health Systems
Corporation board.**

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

The Hawaii Health Systems Corporation (HHSC) system board of directors **supports H.B. 1539 H.D. 1** as it is willing to govern the Oahu facilities to improve the efficiency of our system, though we also maintain that regional governance for our neighbor island facilities has been successful and should be continued.

This measure can reduce expenditures by streamlining the organization of HHSC to place the responsibility for its two Oahu facilities, Maluhia and Leahi Hospital, under the system board. These facilities are approximately six miles from each other and are focused on long-term care at the skilled and intermediate nursing level. All of HHSC's other regions also provide long-term care to similar populations and the system board is very familiar with various aspects of serving the vulnerable elderly, including compliance with State and Federal regulations, finances, and long-term care quality measures. Also, the HHSC corporate office is located at Leahi hospital presenting opportunities for administrative efficiency.

The HHSC system board currently has fifteen members, many with direct experience administering long-term care or experience with providing geriatric services.

- Four regional CEOs, ex-officio members on the HHSC system board, have direct responsibility for long-term care beds in their regions;

- The Director of Health is an ex officio voting member;
- One physician board member also chairs the board of the largest long-term care facility on her island;
- A retired county administrator of community services for the elderly and previous director of a hospital foundation;
- A public health nurse with many years of experience providing geriatric care;
- An administrator of a Federally Qualified Health Center;
- A physical therapist; and
- Members with legal and business background.

Six of the current nine community members have previously served on HHSC regional boards providing oversight for a variety of health services all within the constraints of state funding. The system board has a “voice” for Oahu as several seats on the system board are specified for Oahu residents.

The current cost of service for the Oahu region, almost \$200,000 per resident for just over 200 individuals a year requiring approximately 19 million dollars of general fund subsidy, is not sustainable. The two partially empty facilities of the Oahu region present the State with opportunities to better serve the needs of our aging population. Despite the passage by the legislature of HCR 95 last year, asking the Oahu region to justify continued state funding, their report to the legislature did not address that question. <https://www.hhsc.org/wp-content/uploads/2018-Legislative-Report-HCR95SD1.pdf> In the past year the Oahu board has not contemplated reductions in spending, made specific plans to seek private investment to sustain services, nor engaged in strategic planning for a potential funding shortfall.

Regarding these challenges, it is of concern that the current Oahu board has had four board members resign in the past year and has three vacancies. Two board members can no longer serve after June 30, 2019 and five members joined the board July 1, 2018 or later.

The regional autonomy that HHSC’s system provides has been successful on the neighbor islands. On Oahu, given the limited nature of services operated by HHSC in relation to all health services, the benefit of regional control is not compelling. The system board can provide the necessary governance of the two Oahu facilities and looks forward to working with the legislature to responsibly and cost-effectively support our services across the state.

Thank you for the opportunity to testify.

HAWAII HEALTH SYSTEMS CORPORATION

COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, March 13, 2019
TIME: 9:00AM
PLACE: Conference Room 229
State Capitol
415 South Beretania Street

Please accept the comments on behalf of the East Hawaii Regional Board of HHSC:

The East Hawaii Regional Board of HHSC offers the following comments on HB 1539 HD1.

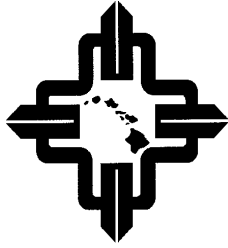
The East Hawaii Regional Board (EHRB) is acutely aware of the escalating cost of healthcare and the financial pressures being experienced by the State of Hawaii. We recognize that each region must do all it can to reduce or minimize the growth of the general fund subsidy to HHSC.

We also recognize that the Oahu Region is unique both in the limited nature of its services and its location in the urban center of Honolulu. It is reasonable to expect that the recentralization of the Oahu Region and the combining of leadership structures currently located in the same facility will provide some efficiencies. We are confident that the HHSC corporate board and administrative leadership will be able to guide Oahu facilities in deciding how best to contribute to the adequate and cost effective provision of long term care services on Oahu.

With that said the EHRB is a fervent supporter of regionalization. The ability to exercise local decision making regarding our communities' health care has resulted in remarkable improvements to the quality and effectiveness of services provided to Hilo, Puna, and Ka'u. When our leaders use our facilities, when they take ownership of the care received by their friends, families, and neighbors, great things can and have happened.

While we acknowledge the necessity of hard choices prescribed in HB 1539 HD1, we reiterate the unique environment of the Neighbor Islands as our regional systems are often the sole healthcare provider. We would respectfully request the legislature continue to support the regional autonomy granted to the Neighbor Islands.

Thank you for the opportunity to testify.



OAHU REGION HAWAII HEALTH SYSTEMS CORPORATION

Senate Committee on Commerce, Consumer Protection and Health
Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice-Chair

March 13, 2019
Conference Room 229
Hawaii State Capitol

Derek Akiyoshi
Oahu Region Chief Executive Officer
Hawaii Health Systems Corporation
Re: Testimony in Strong Opposition

HB 1539 HD1, Relating to the Hawaii Health Systems Corporation

The Oahu Regional Health System Board of Directors (hereinafter, “OR Board”) **strongly opposes** HB 1539 HD1 for many reasons, chief among them being that it would deprive the community of an established board comprised of highly knowledgeable and educated volunteers who are solely dedicated to the Oahu Region’s mission of providing safety-net healthcare services for the vulnerable aged, blind and disabled population, especially persons without financial means and access to necessary care.

Preliminarily, we note that HB 1539 HD1 does not contain an introductory paragraph. It is therefore very difficult for us to discern the legislative purpose for this bill or otherwise resolve any concerns that the legislature may have about the Oahu Region’s current governance and operational structure. Given what appears to be the operative effect of the bill – namely, to abolish the OR Board and transfer all of its duties to the Hawaii Health Systems Corporation (hereinafter, the “Corporation” or “HHSC”) Board of Directors – we will focus our testimony in **strong opposition** to HB 1539 HD1 on our firm belief that the OR Board is the most equipped and appropriate entity to govern the affairs and future of the Oahu Region’s facilities.

The Corporation Board Is Not the Appropriate Governing Body

Inevitable Conflict

As you are aware, the Corporation Board is comprised primarily of members from the neighbor islands. In fact, of the ten voting members currently on the Corporation Board, only two reside on the island of Oahu. As such, we have serious concerns that, when corporation-wide interests inevitably conflict with the Oahu Region’s interests, the Corporation Board will not be able to faithfully discharge its duty to support the mission of both the Corporation and the Oahu Region. For example, in years where the total legislative appropriation to HHSC is less than the sum of each Region’s budget request, each Region would naturally have to compete for its

share of the distribution. If the Corporation Board becomes responsible for the Oahu Region's interests under HB 1539 HD1, it is inconceivable to believe that, in the foregoing situation, the Corporation could take a position that does not create a conflict between its duty to the HHSC System and the Oahu Region. This, and many other clearly inevitable and irreconcilable conflicts are why each island Region was granted its own governing body in the first place.

No Financial Benefit Will Result From Abolishing the OR Board

The Oahu Region disagrees with the Corporation's assertion that abolishing the OR Board can "reduce expenditures" or be "more cost-effective." See Corporation's February 7, 2019 Testimony to House Committee on Health. First, it is no secret that all members of the OR Board volunteer their services with no expectation of remuneration. They serve the OR Region because they believe in the Oahu Region's mission to serve the most vulnerable population regardless of financial status. That being said, neither the Corporation nor the Oahu Region would save a single dime from abolishing the OR Board. The only actual impact would be that the OR Board – which has extensive knowledge of long-term care and direct experience with the Oahu Region's operations – would be replaced by a board that, as admitted by the Corporation, only "provided primarily policy oversight and support to the regions" since regionalization occurred over ten (10) years ago. *Id.*

Second, should the Corporation assert that the reduced expenditures referred to in its testimony could be realized by replacing members of the Oahu Region's management team with existing Corporation staff, we would again disagree. Given the Corporation's limited role of only providing "policy oversight and support to the regions[,]" there are currently no Corporation staff members available who have the requisite experience in long-term care to understand the intricacies of our operations. This is especially so given the recent and extensive amendments to the CMS survey regulations (also known as the Requirements of Participation) that require full compliance by November 28 of this year. Thus, it is again clear that no cost savings would be realized from abolishing the OR Board because the existing management staff would still be necessary to carry out the Oahu Region's healthcare obligations.

Logistical Nightmare

The OR Board agrees with the Hawaii Government Employees Association's ("HGEA") position that a piecemeal approach to reconsolidate the individual Regions back into the Corporation should not be supported. In addition to the fact that it would be grossly unfair for the Oahu Region to be singled out as the only Region to be stripped of its local governance, piecemeal consolidation would also create unnecessary confusion and countless logistical problems in statutory construction.

In 2007, the Legislature completed a comprehensive overhaul of HHSC's enabling law, Haw. Rev. Stat. ch. 323F, in which the Corporation's role was reduced to "providing primarily policy oversight and support" to the Regions and, through the establishment of Regional System Boards, the Regions were granted autonomy to control their respective finances and facilities. Under this statutory framework – which continues to this day – the Regions were granted many statutory rights and privileges that were not granted to the Corporation. If HB 1539 HD1 passes as drafted, it would be very difficult to determine under what circumstances the Corporation could avail itself of the rights and privileges that were intended to be reserved for the Regions.

As just one of many examples, the Regions were exempted from the procurement rules of Haw. Rev. Stat. ch. 103D while the Corporation was not. If the Corporation Board assumes the responsibilities of the OR Board pursuant to HB 1539 HD1, a great deal of logistical confusion regarding the applicability of ch. 103D would surely arise in any situation where the Corporation is required to expend funds for the Oahu Region's operations or facilities. For instance, should the Oahu Region require renovations or repairs to a parking lot on the Leahi Hospital campus, would ch. 103D be applicable? Under the existing system, it is well-established that all facilities in a Region fall under the custodial control of that Region's board. Thus, the Oahu Region could complete the project using its statutorily defined exemption to ch. 103D. Should HB 1539 HD1 pass as drafted, however, the answer would be far from clear. Indeed, the confusion in the instant example would be further exacerbated by the fact that the Corporation's offices are situated on the Leahi Hospital campus and the parking lots are shared by both Oahu Region and Corporation staff.

The foregoing example is provided simply to illustrate that the current statutory framework of HHSC was specifically designed to support regionalization and, as such, the limited modifications to ch 323F made by HB 1539 HD1 are insufficient to effectively accomplish the piecemeal absorption of a single Region. We believe that another massive overhaul of HHSC's enabling law is required to properly effect what appears to be HB 1539 HD1's intended purpose. Returning to our prior assertion, however, we do not believe that such endeavor is worth the effort because there is nothing legitimate to be gained from abolishing the OR Board.

The OR Board Is Best Suited to Govern the Oahu Region

Unlike the Corporation Board – which is responsible for the general governance of the entire HHSC system and not directly involved in the operation of any healthcare facilities – the OR Board's members are all residents of Oahu who understand the value the Oahu Region brings to the vulnerable and financially challenged local community through our provision of in-patient long-term care, adult day health services (2 of only 6 programs on Oahu), the only certified TB (tuberculosis) unit in Hawaii, and a geriatric outpatient clinic. Having been involved in many of the challenges faced by the Oahu Region over the years, the OR Board is also mindful of the rising costs of healthcare. It is to this end that the OR Board has committed itself to developing new strategies to reduce our required legislative subsidies and supporting new initiatives that will enable the subsidies we receive to have a greater positive impact on the community.

With regard to value, the OR Board recognizes that, being tasked with serving a primarily Medicaid population, the Oahu Region's facilities exist to provide an important unmet need *on Oahu*. While private hospitals on Oahu are able to meet the needs of local acute patients, there is still a need for long-term care and adult day health programs to serve Oahu's financially challenged, elderly, disabled or otherwise vulnerable population. In the event that the Oahu Region's facilities are closed, it is highly unlikely that private facilities would be willing to fill their empty beds with the challenging low-reimbursement residents that we routinely serve. Without the Oahu Region's services, our long-term care residents and adult day health participants would likely have to be cared for at home. It goes without saying that a family member's sudden responsibility of having to provide 24 hour care for their loved one(s) would be nothing short of devastating.

In terms of reducing our subsidies, the OR Board and management team have been exploring ways of generating income from the Leahi property to subsidize our operational costs. Our efforts to date have included discussions regarding potential development a public-private partnership to provide dialysis services and working with the SOH Film Office and major producers to reopen the Leahi campus for media productions. We have also become open to the possibility of privatizing our operations if it can be accomplished transparently and with due concern for our patient population and employees.

In regard to positive impact, the OR Board and management team have been actively working with acute-care facilities to accept more patients from their costly waitlists. These efforts have been expended in response to HCR 95, which was passed by the legislature last year, and a detailed description of the same can be found in the legislative report submitted by the OR Board prior to this legislative session. The Oahu Region has also begun discussions with the State Homeless Coordinator, SOH Department of Human Services, city officials and HPD to address the healthcare needs of the homeless population that are “high utilizers” of local emergency rooms. Based on our preliminary communications, we collectively believe that appropriations from the “Ohana Zones” initiative could be used to renovate unused portions of the Leahi campus into an important service site. Further, the Oahu Region recently developed an important partnership with the Hawaii Meals-on-Wheels program to provide approximately 350 meals per week for homebound individuals.

OR Board’s Connection to Oahu Region Stakeholders

Through many prior experiences dealing with adversity, it must be noted that the OR Board has gained the respect and support of our residents, adult day health participants, family members, and staff. As you may be aware, the ripple effect of the recession that began in 2008 hit HHSC hard during fiscal year 2015. The impact was severe enough in the Oahu Region that we were forced to close one unit at both of our facilities and lay off or displace dozens of employees. When the closures were announced, the OR Board was there alongside the Oahu Region management team to provide information to all those who would be affected and demonstrate that we were making all reasonable efforts to protect their interests. Our collective efforts enabled us to temper the impact of the closures and earn the respect and support of the people we serve and employ.

Likewise, when the Maui Region privatized in 2017, there was a lot of uncertainty and paranoia that developed in the Oahu Region due to the fact that all regular Maui Region employees with at least two years of service credit were entitled to “bump” into other HHSC Regions in accordance with their respective collective bargaining agreement. It was only through the OR Board’s support and commitment to transparency that we were able to alleviate employee concerns and assist the employees who were slated to be displaced or terminated.

In sum, the OR Board and management team have a genuine connection with all Oahu Region stakeholders that was earned through experience and our proven commitment to the Oahu Region’s mission. At this juncture, we do not know with any certainty whether the legislature envisions the future of the Oahu Region to lie in privatization, maintenance/reduction/increase of the services currently provided, or closure of our facilities. Whatever such intent may be, however, we can unequivocally assert that the entity most experienced and capable to lead the

Oahu Region towards any legislative goal – especially without any real or perceived conflicts of interest – is the OR Board.

Requested Amendments

In the event that this Committee elects to recommend passage of HB 1539 HD1, we respectfully request that the following amendments be adopted by this Committee as described and justified below:

- Given the limited number of Oahu members currently permitted membership on the Corporation Board, we ask that Haw. Rev. Stat. 323F-3 be amended (Section 2) to increase the number of Oahu members from two (2) to five (5). We believe that this is a fair number in light of the fact that it is less than half of the thirteen (13) total permissible voting members. Moreover, the increased number of Oahu members would help to ensure that the Oahu Region's interests are fairly represented.
- As previously noted, we are unaware of existing Corporation staff who have the requisite background and experience to oversee the implementation of recent and extensive amendments to the CMS survey regulations (also known as the Requirements of Participation) that require full compliance by November 28 of this year. Should the instant bill become law, we believe that a number of exempt employees may elect to leave their important positions out of fear that they may suffer demotion, a decrease in salary or other loss of employment rights as a result of the transition. This could significantly undermine the quality of care being provided to our patients. In an effort to provide assurances to these exempt employees, we request that the last paragraph of Section 4 be stricken and replaced with the following language:
 - Any employee who, prior to this Act, is exempt from civil service and is transferred as a consequence of this Act shall be transferred without loss of salary and shall not suffer any loss of prior service credit, vacation or sick leave credits previously earned, or other employee benefits or privileges as a consequence of this Act, and shall be entitled to remain employed in his/her current position for a period of no less than one-year after being transferred.
- As you are aware, the Oahu Region currently has an established management team that is experienced in our operations and has a strong connection to all of our facilities' stakeholders. We believe that it is in the best interests of both the Oahu Regions' facilities and the Corporation's staff that, following the transfer, the Oahu Region management team report directly to the Corporation Board independently and in the same manner that it currently reports to the Oahu Region Board. This process would grant the Oahu facilities the benefit of a management team that is dedicated to its operations without the many conflicts that may arise if the Oahu management team was required to report to the Corporation management team. Accordingly, we request that a new section be added to the instant measure that contains the following provisions:
 - The exempt management team of the former Oahu Region that was appointed pursuant to Haw. Rev. Stat. 323F-8.5 shall operate independently from the Corporation management team appointed pursuant to Haw. Rev. Stat. 323F-8.
 - All matters of governance and operations that concern the Oahu facilities shall be addressed by the Corporation Board directly with the Oahu management team.

Thank you for the opportunity to offer testimony on this very important matter.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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

The Thirtieth Legislature, State of Hawaii
The Senate
Committee on Commerce, Consumer Protection, and Health

Testimony by
Hawaii Government Employees Association

March 13, 2019

H.B. 1539, H.D. 1 – RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION


The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposes the purpose and intent of H.B. 1539, H.D. 1 which dissolves the Oahu Region of the Hawaii Health Systems Corporation (HHSC) and transfers its rights, powers, functions, duties, and personnel to the HHSC Corporate Board.

The two hospitals in the Oahu region of the HHSC, Leahi Hospital and Maluhia, provide critical services for our community's kupuna. Together, the hospitals ensure a wide variety of patient needs are met, including traditional long-term care, short-term rehabilitation, and adult day health care. Since the Oahu region serves one of our most vulnerable populations, we do not believe the region was ever intended to financially compete with private-sector hospitals, nor to profit from its patients. We respectfully raise concerns over the continuation of patient care and the impact to operations should the Oahu region be eliminated.

In past legislative sessions, we have conceptually supported measures to reconsolidate all of the regions back into the Corporation, as was originally intended with the inception of the HHSC, to maximize economies of scale, standardize policies & procedures, and centralize necessary services. We have also supported legislation to re-integrate hospitals into the Department of Health whereby the Legislature via the Director of Health would have increased oversight of operations and expenditures. However, if the policy direction is to increase regional autonomy, as was legislated in 2007, then the Corporation and the Corporate Board should dissolve to fully empower regional-specific, community-based health care decisions. Given the two opposing policy directions of centralization on one hand and regional autonomy on the other, as well as the privatization and removal of the three Maui region hospitals from the Corporation, we cannot support a piecemeal approach to integrate one region while the other regions maintain independence.

Thank you for the opportunity to oppose the impact of H.B. 1539, H.D. 1.

Respectfully submitted,


for Randy Perreira
Executive Director

HB-1539-HD-1

Submitted on: 3/11/2019 9:30:58 AM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------------------------|---------------------------|---------------------------|
| Julie Tulang | Testifying for HHSC Corp. board Chair | Support | Yes |

Comments:

HB-1539-HD-1

Submitted on: 3/11/2019 10:30:53 AM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Casey Abe | Individual | Oppose | No |

Comments:

I oppose HB 1539 HD1.

HB-1539-HD-1

Submitted on: 3/10/2019 11:59:01 PM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Douglass Adams | Individual | Support | No |

Comments:

From: [Elena Cabatu](#)
To: [CPH Testimony](#)
Subject: Support for HB 1539
Date: Monday, March 11, 2019 9:22:21 AM

Please accept my support for HB 1539 HD 1.

Elena Cabatu

Sent from my iPhone

HB-1539-HD-1

Submitted on: 3/11/2019 9:13:05 PM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|-------------------------------|-------------------------------|
| Cindy Chang | Individual | Oppose | No |

Comments:

HB-1539-HD-1

Submitted on: 3/11/2019 3:46:10 PM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| JANE DIERENFIELD | Individual | Support | No |

Comments:

Support HB 1539

HB-1539-HD-1

Submitted on: 3/11/2019 5:26:33 PM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Carolyn Donlin | Individual | Oppose | No |

Comments:

HB-1539-HD-1

Submitted on: 3/11/2019 3:38:52 PM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Ronald Distilli | Individual | Oppose | No |

Comments:

HB-1539-HD-1

Submitted on: 3/11/2019 1:29:27 PM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Ethel Fleming | Individual | Oppose | No |

Comments:

HB-1539-HD-1

Submitted on: 3/11/2019 10:16:58 PM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Becky Gibson | Individual | Oppose | No |

Comments:

March 11, 2019

Testimony Against HB 1539, Relating to Removal of Oahu Region Board & Transfer to HHSC Board

My name is Becky Gibson. I would like to express my concerns and testimony against House Bill 1539, relating to removal of Oahu Region Board & transfer to HHSC Board. This bill will affect greatly to our continuing growing frail and vulnerable elderly population who need twenty-four hour professional care on Oahu. With the HHSC Board, their interest is based on their own agenda (financial aspects and benefits of the HHSC body) instead of the well-being of the frail and vulnerable elderly population.

Leahi and Maluhia hospitals have been serving the frail and vulnerable elderly population who require care in their activities of daily living for over 50 years. Leahi and Maluhia provide skilled nursing and long term care and are well known among the community. Their adult day health program enables families with frail and vulnerable elderly (who require assistance with part of activities of daily living, such and toileting, meal preparation, showering, ambulation, and feeding) to continue to work and know that their loved ones are being taken care of.

I have been working at Leahi & Maluhia since 1999. The majority of the residents who live in Leahi and Maluhia are Medicaid participants and usually are first or second generation immigrants. As the gap widens between the rich and the poor, Maluhia and Leahi have been a place for those in need. If a corporate board would oversee the Oahu region in the future and did not have any vested interest, how could we serve this population who need care?

Is the removal of the Oahu Region Board and transfer to the HHSC Board the only solution? Why do other regions (Kauai, Maui, East Hawaii & West Hawaii) have their own boards and yet Oahu falls under HHSC jurisdiction?

I am very troubled regarding the passage of this bill and the constant changes in the health care system in our country. I am hoping that the care of the elderly at Leahi and Maluhia continue to be supported. No one knows how our health care industry is going to be in the future and one day we will be part of this frail and vulnerable elderly

population. Don't we want a place like Leahi and Maluhia to care for our activities of daily living when we are no longer able to.

Thank you for your attention to this matter.

Sincerely,
Becky Gibson
1320 Alexander St., #1205
Honolulu, HI 96826

From: [Wade Hayama](#)
To: [CPH Testimony](#)
Subject: Testimony/Comments regarding HB 1539 on March 13, 2019 at 9 A.M., Room 229.
Date: Monday, March 11, 2019 5:56:45 AM

Wednesday, March 13, 2019

Testimony/Comments regarding HB1539 on March 13, 2019 @ 9 a.m., Room 229

My name is Wade Hayama and I am against voting for HB1539. I am a caregiver for my 96 year- old mother-in-law. While I work full-time, my mother-in-law attends adult daycare at Maluhia Adult Day Health Center. It opens at 6:45 a.m. – 5:30 p.m. This allows me ample time to drop her off and get to work safely. She feels safe there and enjoys the care and activities provided at Maluhia. Combining services and moving it to another facility like Leahi Hospital will negatively impact our lives. There are many families like us who depend on Maluhia Adult Day Health Care services. Please do not let this bill pass.

Thank you for listening to my testimony.

Sincerely,
Wade Hayama
45-656 Apapane Street
Kaneohe, HI 96744

HB-1539-HD-1

Submitted on: 3/11/2019 11:58:45 AM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Wayne Kanemoto | Individual | Support | No |

Comments:

ROBERT K. MERCE, ESQ.

2467 Aha Aina Place
Honolulu, Hawaii 96821

Telephone: (808) 732-7430
mercer001@hawaii.rr.com

March 12, 2019

TO: Committee on Commerce, Consumer Protection, and Health

RE: HB 1539, HD 1

HEARING DATE: Wednesday, March 13, 2019

TIME: 9:00 a.m.

CONF. ROOM: 229

POSITION: **STRONGLY OPPOSE**

Dear Chair Baker, Vice Chair Chang, and Members of the Committee:

I am writing in **strong opposition** to HB 1539, HD1 which would dissolve the Oahu regional health care system and integrate its functions and personnel into the Hawaii Health Systems Corporation (HHSC) board. The Oahu Regional Health Care System is an important part of our community and continues the historic tradition of providing compassionate care to Oahu's neediest residents. I am concerned that this important tradition will not continue if the Oahu regional health care system is eliminated and its duties and responsibilities are transferred to the HHSC Corporation.

For the past two years I served as Vice Chair of the HCR 85 Task Force on prison reform, and was principle author of the Task Force's Final Report to the 2019 Legislature.¹ I am also a member of the Reentry Commission, and for many years I have worked on a volunteer basis with the Department of Public Safety and the Hawaii Paroling Authority to assist them in finding appropriate placement for seriously debilitated and terminally ill inmates seeking compassionate release.²

Hawai'i has more than 600 prisoners 55 years of age or older.³ There is a growing body of evidence that at around age 55, prisoners start to develop health problems associated with people much older than 55 and consume a disproportionate share of the cost of prison health

¹ *Creating Better Outcomes, Safer Communities, Final Report of the House Concurrent Resolution 85 Task Force on Prison Reform to the Hawaii Legislature, 2019 Regular Session*, https://www.courts.state.hi.us/wp-content/uploads/2018/12/HCR-85_task_force_final_report.pdf

² Compassionate release (sometimes referred to as medical release) is a process by which prisoners who are seriously debilitated or terminally ill can be granted early parole.

³ PSD System Wide Data, July 2018 (As of July 31, 2018, there were 661 inmates age 55 or older in Hawai'i's correctional system).

care.⁴ An article in the *Annals of Internal Medicine* reported that the average cost of health care for just 21 seriously ill prisoners in California (0.01% of the state's prison population) exceeded \$1.97 million per prisoner.⁵

Given the high cost of caring for elderly prisoners, it is vitally important for every community to have at least one facility that will accept prisoners who are old, seriously debilitated, terminally ill, or require a relatively high level of care. **The only place I know of that will accept those patients is Leahi Hospital.** Private care homes will not accept them because of their criminal history, lack of money (most are on Medicaid), and the high level of care they require.

Let me give you a concrete example of what I am talking about. Last year Leahi Hospital accepted a compassionate release prisoner had developed a malignant brain tumor while in prison and underwent surgery that left her with memory deficits and paralysis on the left side of her body. Leahi provided the woman with outstanding care, but the brain tumor returned and she underwent a second surgery at Queens Medical Center. She returned to Leahi and was fine for a while, but the tumors reappeared for a third time, and today she is blind, paralyzed, and has severe mental deficits. She requires a very high level of care and is on MedQuest. I do not believe that any private care home would have accepted this person, and if she had remained in prison the quality of her life would have been severely diminished, and she would have cost the state tens of thousands of dollars.

I am currently working with the Leahi staff to admit another compassionate release prisoner who suffers from atherosclerosis, diabetes, and is a double amputee with stage IV kidney disease that requires dialysis three times a week. Again, I cannot imagine any long-term care facility other than Leahi that would be willing to accept this patient. By placing her in Leahi, the State will save thousands of dollars a year because most of her care will be covered Medicaid, and prison guards will not have to accompany her to dialysis three times a week.

Leaving elderly and seriously ill inmates in prison is a bad idea because prisons are not nursing homes and correctional officers are not qualified to care for patients who belong in a care home. As the HCR 85 Task Force said in its interim report to the 2017 legislature:

The Task Force questions whether the State has the resources to provide adequate medical care to the large number of elderly prisoners, particularly in light of *Slingluff v. State of Hawaii* [131 Hawai'i 239, Haw. App. 2013] which holds that the State has a legal duty to provide prisoners with the same standard of care as is provided to patients who are not in prison. Several recent settlements

⁴ Brie A. Williams, Rebecca L. Sudore, Robert Greifinger, and R. Sean Morrison, "Balancing Punishment and Compassion for Seriously Ill Prisoners," *Annals of Internal Medicine*, vol. 155, no. 2 (2011): 122-126.

⁵ Williams, "Balancing Punishment and Compassion," 123.

and damages awards to prisoners of \$1 million or more reinforce the Task Force's concern about the State's ability to adequately care for an aging prison population.⁶

The Task Force's final report recommends that the State **“should designate Leahi Hospital as the default placement for compassionate release prisoners who require intermediate or acute levels of care.”**⁷

My deep concern about HB 1539, HD 1 is based in part from my experience with HHSC. Several years ago, I was trying to get an inmate with severe muscular sclerosis into the Yukio Otsuku Veterans Center, which is part of HHSC. The inmate was a Vietnam War veteran with a 70% service related disability who qualified for admission in all respects, and despite his violent criminal history, was not a danger to anyone because he was totally bed ridden and immobile except for very limited use of one arm, which he could lift about 12 inches. The private company that operates the Otsuku Veterans Center for HHSC **refused to admit the veteran solely because of his criminal history**, and HHSC supported that decision. With the help Senator Clarence Nishihara and Governor Ige's office I was finally able to get veteran into the long-term care facility at Tripler Army Medical Center, and he has since been moved to a veteran's home in New York State near his family. I was shocked and disappointed that HHSC refused to advocate for the veteran and apparently accepted the proposition that a state funded facility could deny admission to a qualified veteran solely because of his criminal history.

I have worked closely with the Leahi staff for several years. They have a very difficult job and they do it with grace and compassion. If you asked me to name one place in Hawaii where the Aloha Spirit is alive and well I would say it's at Leahi Hospital.

Leahi Hospital has a long and proud tradition of caring for the poor, sick and forgotten members of our community, including TB patients, and patients with serious medical conditions who have spent most of their lives at the Hawaii State Hospital. It is a tradition that needs to continue and should do so under the leadership and vision of the Oahu regional board, not the HHSC board.

Thank you for the opportunity to testify this morning.

⁶ Interim Report of the HCR Task Force (On Effective Incarceration Policies and Improving Hawaii's Correctional System) to the Legislature for the Regular Session, 2017, p. 4, https://www.courts.state.hi.us/wp-content/uploads/2016/07/HCR_85_TASK_FORCE_INTERIM_REPORT.pdf

⁷ *Creating Better Outcomes, Safer Communities* pp. xx, 69, and 110.

Hearing Date: Wednesday February 20, 2019
2:00 PM, Conference Room 308

To: Committee on Finance
Representative Sylvia Luke, Chair
Representative Ty J. K. Cullen, Vice Chair

From: Kimberly Oshiro, kimberlyoshiro@yahoo.com

Re: HB1539, HD1 Relating to Hawaii Health Systems Corporation; Oahu Region
TESTIMONY IN OPPOSTION

I respectfully oppose this bill relating to integrating the Oahu Regional Health Care System into the Hawaii Health Systems Corporation (HHSC) Board.

The HHSC Board currently provides oversight and support to the five regions (Oahu, East Hawaii, West Hawaii, Maui, and Kauai) that make up HHSC. Each region has their own community needs, which each regional board knows well. Although the HHSC Board is located at Leahi on the island of Oahu, I am unclear how Maluhia and Leahi residents and the community would benefit without the Oahu Region Board when the HHSC Board will continue oversight and support to the other regions. How would Oahu get fair representation when the other regions have their boards?

I understand health care costs by Maluhia and Leahi are increasing. If Oahu Region Board ends, what would the long-term outcome/ effects be for Oahu? Are there other options? What can we do that will be the best for the community?

I think it is important for the members of the House of Representatives and the Senate speak to the Maluhia and Leahi consumers and taxpayers before proposing/making drastic decisions. This beyond a bill committee hearing as a bill committee hearing does not provide adequate time and discussion.

In considering possible long term outcomes and community needs, it's important to keep Maluhia and Leahi as a "safety net" for our elderly and disabled population as a private entity will not be able to manage keeping the current population served at Maluhia and Leahi. Medicaid does not cover 24/7 care at home. There are few care options, but even those are currently getting tougher to find. The baby boomer population is entering the need of the services (skilled care, long term care, adult day health centers, geriatric clinics, Meals on Wheels, tuberculosis unit, etc.) that Maluhia and Leahi provide. Without these services, likely many are not going to get adequate care. This in turn will increase risk for hospitalizations and rehospitalizations, need of Adult Protect Services (APS), and possibly family court services/ Office of the Public Guardian (OPG). This would cost the state money as Medicaid would have to pay for an increase of expensive hospital services, the state would have to hire more APS and family court/ OPG workers and/or pay their overtime.

Thank you for the opportunity to testify.

From: [Barbara Mota](#)
To: [CPH Testimony](#)
Subject: Testimony/Comments regarding HB1539 on March 13 at 9AM, room 229
Date: Sunday, March 10, 2019 1:46:25 PM

Maluhia Adult Day Health Center is very important to my family. Sending my mother to a safe day time environment like MADHC allows her to age in her own home. The staff at MADHC provide activities to increase gross and fine motor skills, cognition, and social interaction for the elderly, that would be missing if they remained alone at home or in a nursing facility. In addition, the meals they serve are nutritious as well as tasty. MADHC must be doing a great job because my mother is a healthy and happy 101 year old. Therefore, I cannot endorse any legislation that would eliminate services at Maluhia Adult Day Health Center. I urge you to show your support of our kupuna by voting against HB1539. Its passage would mean elected officials are not concerned about the large and growing elderly population in Hawaii and its impact on our economic, social, and cultural well-being.

Barbara Mota
Daughter of MADHC participant

HB-1539-HD-1

Submitted on: 3/11/2019 9:26:49 AM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Lisa Rantz | Individual | Support | No |

Comments:

To: Committee on Commerce, Consumer Protection, And Health

Senator Rosalyn H. Baker, Chair

Senator Stanley Chang, Vice Chair

Re: HB1539, HD1 Relating to Hawaii Health Systems Corporation; Oahu Region

TESTIMONY IN OPPOSITION

I have reviewed all testimonies, and all provide an in-depth problem with this bill. For the future of health care and for the aging population on Oahu, it should be clear that **HB 1539 HD1** is not in the best interest for Oahu's seniors, and the existing participants and residents of Maluhia and Leahi Hospital. Maluhia and Leahi provide care for seniors on Medicaid, The VA, and The Kupuna Care Program. ***So, I respectfully oppose this bill.*** Hawaii is a special place, a unique place, an island place, we take care of family. "Family takes care family". Sons and Daughters care give for their aging parents. That's what we do!!! HB 1539HD1 will be the 1st step towards eliminating vital health care services to their parents and needed respite for family caregivers. It allows the family to sleep at night, knowing that a family member is well cared for by these Adult Day Health Care (ADHC) programs and Long Term Care (LTC) facilities.

- Maluhia and Leahi Hospitals provide important safety net services for the community.
- HGEA members are concerned that without the Oahu Regional Board's voice, services to current and future patients may be diminished.
- As the elderly population increases the need for the residential and day care services provided at Maluhia and Leahi is increasing.
- The Oahu Regional Board understands, supports and respects the residents, day care participants and staff.
- It is part of government's duty to provide safety net services to community members in need.

I respectfully ask this committee to allow our seniors that deserve respect and dignity, to retain vital health care services. These family members shaped Hawaii's past, present, and will influence our future generations to gracefully age in place. Thank you for allowing me to submit testimony on behalf of HB1539HD1.

Sincerely,

Sanford Sasaki MSW

Chair Senator Rosalyn H. Baker
Vice Chair Stanley Chang

Senate Committee on Commerce, Consumer Protection, and Health

Tuesday March 12, 2019

TESTIMONY IN OPPOSITION OF HB1539, HD1 for the hearing on Wednesday, March 13, 2019, 9:00AM, Room 229.

Dear Chair Senator Baker, Vice Chair Chang, and Members of the Committee,

My name is Julie Takahashi, and I am writing to express my opposition to **HB 1539, HD1** relating to Hawaii Health Systems Corporation (HHSC) Oahu Region consolidation which integrates the Oahu regional health care system into the HHSC board.

The other 4 regions, namely the Kauai regional health care system, Maui regional health care system, East Hawaii regional health care system and West Hawaii regional health care system would each retain their respective boards entrusted to look out for (primarily) their own needs and best interests. However, Oahu, the most populous island, would be left shortchanged if the Oahu region board were not allowed to remain as an entity separate from the board of directors for HHSC. The mission of HHSC is to “provide accessible, high quality, cost-effective services which address the healthcare needs of *Hawaii’s unique island communities*.” How could this be accomplished for the people of Oahu without being allowed to have its own governing board?

Providing a crucial service to many individuals/families in need on Oahu, the majority involving the care of the frail, disabled elderly who cannot afford the exorbitant costs of extensive private health and caregiving services, the Oahu regional health care system works as a “safety net” operating Leahi Hospital and Maluhia. Between the residents that live in both facilities, short term rehabilitation patients that return to the community, participants that attend adult day health programs, individuals receiving meals via the “Meals on Wheels” program, employees at these facilities along with many others working at affiliated businesses, the scope of this bill and the likely negative impact that it could have on these people, their families and the community needs to be further examined.

Based on information available, HB1539 HD1 is essentially a privatization bill. One that I see will have the effect of widening the socioeconomic gap on Oahu. My understanding is that Maluhia and Leahi provide care to individuals, at least 80% of whom are on Medicaid. Despite the numerous facilities in the town area, it is difficult to find available “Medicaid beds” and services in central Honolulu. Many people are unaware of just how much it costs to stay at one of the newer facilities in town and what percentage of beds, if any, are available to those on Medicaid? Furthermore, most do not understand the difference between the levels of care provided (ie. assisted living vs. care home vs. intermediate care/ICF). To look at beds and services available in general would not be prudent. I anticipate that individuals and families affected by this bill will be left with little choice but to look outside of town.

The Oahu Regional Board understands, supports and respects the residents, day care participants, staff and people at large. Providing safety net services to community members in need is part of government’s duty, as it should be. Therefore, I find it troublesome that HB 1539 is moving so quickly through our legislature without more caution considering the direct and indirect effects that it will have on so many.

Thank you very much for the opportunity to share my thoughts with you.

Respectfully yours,

Julie Takahashi

HB-1539-HD-1

Submitted on: 3/11/2019 12:49:46 PM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------------------|---------------------|---------------------------|---------------------------|
| Dr. Frank H. Sayre, D.D.S. | Individual | Support | No |

Comments:

HB-1539-HD-1

Submitted on: 3/11/2019 2:22:08 PM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Carol A. VanCamp | Individual | Support | No |

Comments:

As past chair of the HHSC, I fully support this bill and urge the Legislature to approve it.

Aloha,

Carol VanCamp

Hearing Date: March 13, 2019, 9:00 a.m.

To: Senate Commerce, Consumer Protection, and Health Committee

From: Joan Watanabe

Re: HB1539 Relating to the Hawaii Health Systems Corporation
Testimony in Opposition

I oppose HB1539 and respectfully ask that you STOP and take the time to think deep down about the Corporation's intent to dissolve the Oahu Region board, which happens to consist of qualified volunteer board members. Why is it imminent to eliminate Oahu's "watchdog" over our "safety net" facilities? Being deemed as safety net facilities leads to a large number of patients with limited financial means, of Medicaid status or having complex medical and/or behavioral conditions being admitted into the Leahi and Maluhia resident population. Many are patients not accepted at other long-term care facilities. Although being labeled as "safety net" sounds noble, we all know it is unprofitable, but our Oahu Region board recognizes the need to take in this ever-increasing population of vulnerable residents. Privatization is not the answer, because the key question lies in where will these patients be placed if other facilities will NOT take them in? If they stay indefinitely at acute facilities, there won't be beds available for incoming acute care patients.

Although the Corporation is physically located on the Leahi campus, they are not engaged with the Leahi resident population. Members on the Oahu Region board have interacted with Leahi residents and staff, and realize the importance of sustaining the "safety net" title. The Oahu Region board submitted a report to the Thirtieth State Legislature 2019 regarding an assessment on the availability of long-term care beds in the Oahu region and its impact on wait times for acute hospital beds. They proposed a pilot program that includes a public-private partnership to continually meet community needs with new clinical programs and services that can help sustain the long-term care facilities. Over the years, the Corporation has expanded their work space at the Leahi campus while Leahi and Maluhia downsized their resident and staff population. It would be great if Leahi could generate some income by having private doctors' offices, labs, urgent care and other specialty services on their campus that are available for the outside community, and which may also be integrated to further promote the care of Leahi residents. Perhaps a portion of the Corporation space could be converted to accommodate this public-private partnership?

The Oahu Region board continues to look out for the welfare of the folks within Oahu's "safety net" facilities, keeping in mind our mission statement, while also sensibly thinking "outside of the box". Oahu's vulnerable population continues to grow because people are aging and living longer. Long-term care is costly, to the point where patients deplete their savings and eventually file for Medicaid assistance. Reimbursements fall short, well below the cost of the care that's provided. This is the new reality. It can happen in your family, to your loved ones, the future you and the future me.

Privatization and profit-mindedness leads to an adverse mission vision statement. The Oahu Region board must remain involved in overseeing Leahi and Maluhia. They need to continue being the moral conscience for the sake of Oahu's people, be a speed bump to snap decision-making by the Corporation and maintain their advisement and guidance about the Oahu Region. The other regions have their own boards to report to the Corporation about their respective regions. Oahu needs its own "watchdog", too.

Thank you for this opportunity to testify.

HB-1539-HD-1

Submitted on: 3/12/2019 7:16:35 AM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Elisabeth Wilson | Individual | Support | No |

Comments:

2
3

TESTIMONY AGAINST HB 1539 HD1, RELATING TO REMOVAL OF OAHU REGION BOARD AND TRANSER TO HHSC BOARD

Dear Senator Rosalyn H. Baker, Senator Stanley Chang, and Members of the Committees,

My name is Neal Yanagihara, and I am writing to express my concerns and testimony **against House Bill 1539 HD1**, relating to the removal of Oahu region board and transfer to HHSC board. I am hoping this will never be allowed to occur.

People may speak of how HHSC can absorb the Oahu region. Yet why are other regions allowed to continue to have their own boards (Kauai, Maui, East Hawaii and West Hawaii)? Why does Oahu region get singled out to fall under HSSC domain? Why should HHSC control any board? The HHSC board is made up of members from different regions, each with understandably their own needs or agenda. The Oahu region is made up of volunteers in the community that have a vested interest in Maluhia and Leahi.

This bill will greatly affect Oahu region's ability to provide continuing services and care to the most vulnerable and fragile elderly here on Oahu. With a board that will not have the best interests of Oahu region, I am afraid services will be curtailed, cuts will be made and the poor and disadvantaged will be left with less options.

I feel that I can offer a unique perspective as an employee of Maluhia and a family member whose parent is a resident of Maluhia. As an employee for Maluhia for the past 18 years, I have seen many changes here, some good, some not so good. The majority of residents here use English as a second language and are on Medicaid. My concern is that who will be the advocate for these people? As the gap widens between "the have" and "the have nots", Maluhia/Leahi has been a safety net for those in need and how will we continue to service this population if others are making the decisions. In recent years, Leahi/Maluhia have taken residents from other nursing facilities like St. Francis, Crawford and Island Nursing home as they shut down and needed a place for their residents. Although St Francis has reopened the last I heard ~~the last heard~~ they were still not doing long term care or Medicaid beds.

On Oahu, How many other nursing homes have over 80% of residents on Medicaid? With Medicaid patients you will hardly or never break even or make a profit so where will all the people go? It is easy to say public/private partnership or in the community, yet the bottom line is that these people are doing it to make money the best way possible instead of servicing the best needs of the fragile and elderly. I can tell you stories about fellow therapists and their concerns working private nursing facilities. Due to massive and continuously changing regulations you need staff and an Oahu board with expertise and knowledge in dealing with these complex and ever changing issues specifically for the elderly and not just anyone with medical knowledge or a medical background.

As a family member I am very grateful for Maluhia. My father was attending adult day health services for almost 2 years. Adult day health is different from day care in that they are able to take care of a participant that requires more assistance with care including incontinence, assistance with ambulation, special diets and other needs. Some day care services are not as comprehensive or offer certain services as day health. By attending day health my dad was able to stay home longer and delayed the need for nursing home/institutional care. The day health program has become very popular in the community.

Unfortunately due to recent hospitalizations he is now residing at Maluhia. He has a good insurance plan, thank you EUTF and had other bed offers but we choose Maluhia. I will forever be grateful for all the staff day health and nursing home staff for the care of my father.

I understand as the population ages "silver Tsunami" the need will be there. The cost of caregiving continues to rise and our expenses are great. I was lead to believe that the purpose of Leahi and Maluhia was to serve the people of Hawaii and be a safety net for those in need. Please allow them to continue this mission.

As changes on the health care industry continue,.. I saw recently that President Trump was discussing medicare cuts/changes, we should not allow this bill to pass. I do not understand the reasoning or logic behind this bill except that it seems it is for the benefit and gratification of a few people with a hidden agenda maybe to privatize or sell off the Oahu region.

I have already seen other nursing homes close down in my brief tenure here, the continued changes in the healthcare industry are a concern. As the elderly population continues to increase and places like Maluhia and Leahi are not available I foresee problems for the acute care hospitals with backlog and placement for residents/patients with limited options. I

Maluhia Home Business

understand that serious decisions need to be made but am concerned when a corporate board will oversee and not have any vested interest in the future of the Oahu region.

I am very concerned regarding the passage of this bill and the continued changes in the health care industry. I am hoping that progress for the care of the elderly continues to be supported, short sited decisions will have greater long term consequences. If you have any questions or need further clarification or want to visit Maluhia please feel free to contact me.

Thank you for considering my testimony.

Sincerely,

Neal Yanagihara

HB-1539-HD-1

Submitted on: 3/11/2019 10:07:38 PM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Tuechan Young | Individual | Oppose | No |

Comments:

I am against HB1539 HD1 due to its negative effect on Maluhia & Leahi. Both Maluhia & Leahi are the safety nets for the elderly in the community, especially the Medicaid participants and residents who are unable to afford high cost services provided by private agencies. The high quality services offered to participants and residents at Maluhia & Leahi make a big difference in the lives of many Kupuna on Oahu, and nurture a positive relationship between them and their caregivers. I felt so grateful to the best care provided to my sister at Maluhia Nursing Home when she was a Medicaid resident of the facility. I am also the primary care giver of my elderly mother who is a Medicaid participant of Maluhia Adult Day Health Center, and looks forwards to being there everyday. My hanai uncle who was a Medicaid resident of Leahi Nursing Home received much more tender loving care from staff towards the end of his life. I am concerned over HB1539 HD1 that leads to the exclusion of Oahu region, and at the same time, shut the doors to low-income Medicaid vulnerable elderly. Please do not pass HB1539 HD1 since it does no good to the poor, especially the elderly population on Oahu.

HB-1539-HD-1

Submitted on: 3/12/2019 10:42:48 AM

Testimony for CPH on 3/13/2019 9:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Mark Yap | Individual | Oppose | No |

Comments:

From: [Sidney Osada](#)
To: [CPH Testimony](#)
Subject: Testimony regarding Bill #1539
Date: Tuesday, March 12, 2019 8:52:04 AM

My name is Karen Osada. My mom is a resident of Maluhia. She has been there for a year and a half and I am so grateful and blessed that I was able to put her there. The staff is outstanding and when she refers to "going home", it is at Maluhia.

Both of my parents are 96 years old. My dad currently lives at the family home. Though he has dementia, we continue to care for him at home. My sister and I take turns going every day to make sure all his meals, meds, etc are taken care of. It has been very hard as we are both aging too. I am 74 years old with many health issues and my sister is 65 and still works.

We are grateful that we were able to place my mom at Maluhia as she is a Medicaid resident. As longevity runs in my dad's family (sisters are ages 103 and 101), we decided that we would use the house when it is time for him to go into a home.

It is frightening to think that if Bill 1539 is passed, what happens to the many people like us who may have parents that cannot afford to pay for long term care and need to be placed into a home as a Medicaid resident.

Many private long term facilities have limits as to how many residents they will take who are on Medicaid. We know as we called many when we tried to place my mom. We were so grateful when we called Maluhia and they were able to take her.

Please vote 'NO' on Bill 1539.

Thank you for hearing my testimony and my concerned plea.

Karen Osada
7548 Mokunoio Place
Honolulu, Hawaii 96825

Phone: (808) 225-8516 - ©
(808) 395-1305 - (h)

Wednesday, March 13, 2019

Testimony/Comments regarding HB1539 on March 13, 2019 @ 9 a.m., Room 229

My name is Avery Fukunaga, currently my Mother is dependent on my sister to care for her. My sister works full-time as a teacher. She is at risk for losing benefits and her job if she cannot afford adult daycare. Kupuna Care Benefit is a wonderful plan and needs to be available 5 days a week. The elder population is growing at an accelerated rate. The Kupuna Care Benefit allows for families to continue to be productive, contribute to society and sustain themselves without the threat of further government dependence. HB1539 places such a limit on funding for care, it will inevitably drive families to choose between continued employment and positive contribution to society, and potential ruin through overwhelming eldercare cost. Please DO NOT PASS HB1539, limiting the benefit to one day will place a severe financial burden on families like ours and would drive us to financial ruin.

Thank you for listening to my testimony.

Sincerely,
Avery Fukunaga
3740 West 112th Ave. Apt 204
Westminster, CO 80031

From: [Sandman 96744](#)
To: [CPH Testimony](#)
Subject: House Bill (H.B.) 1168 and 1539. H.B 1539
Date: Tuesday, March 12, 2019 10:26:12 AM

To whom it may concern,

Please vote no and do not pass these bills. My mother is a current participant at Maluhia Adult Day Health Center. She suffered a stroke and requires 24 hour care. I bring my mom to Maluhia at least 2 times a week. I appreciate what the staff has done to encourage my mom in maintaining what limited mobility she has. Also, going to Maluhia allows her to socialize with other people. The most helpful factor is the cost of the service that is provided at Maluhia. My mom is on a very limited budget and fixed income. Without the couple days of help that Maluhia provides for the care of my mom, she would be in much more difficult financial crisis. Please stop the progress of these bills and vote no.

Thank you,
Patrick Ayers Jr.
808-384-4985

Hearing Date: Wednesday, March 13, 2019
9:00 A. M. Conference Room 229

To: Committee on Commerce, Consumer Protection and Health members
Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair

From: Ruth S., Resident of Maluhia Long Term Care Facility

Re: HB1539 HD1 Relating to Hawaii Health Systems Corporation TESTIMONY IN
OPPOSITION

I am writing to respectfully ask you to support kupuna like myself. The effects of Oahu Region Board being eliminated could affect our lives in a negative way. We need the expertise of the Oahu Region Board along with those that provide care to fight for us and the needs of kupuna, especially those with limited means and on Medicaid.

I moved to Maluhia a while ago and I am glad to be here. I grew up knowing the name Maluhia. When I lived at home, I caught the Handivan and they would stop and pick someone up. This is a familiar place to me from when I was young.

The nurses keep me alive. The nurses keep my sugar levels in check. They give me medicine according to my sugars. This is something I had difficulty with at home. I enjoy participating in all the activities at Maluhia. This is why I do not want to live in a foster home. I like Bingo, singing, and going to the music activities.

Please support Maluhia and Leahi and us kupuna present and future.

Thank you for the opportunity to testify.

From: [Michael Young](#)
To: [CPH Testimony](#)
Subject: Testimony In Opposition to HB1539, March 13, 2019, 9 AM, Room 229
Date: Tuesday, March 12, 2019 8:32:58 AM

I oppose HB 1539.

HB 1539 proposes the elimination of the Oahu Region Board of the Hawaii Health Care System for the supposed benefits of streamlining management and saving costs. I oppose this bill because I feel that it doesn't do anything to guarantee the continuation and expansion of the "safety net" that the elderly and their families desperately need.

In my situation I would have had to quit my job to care for my mother when she became disabled. The adult day care program at Maluhia Hospital provided a safe, affordable place for my mother and allowed me to keep working.

Any action taken by the Legislature must be along the lines of expanding affordable long term care and adult day care services for Hawaii's senior citizens. Bills aimed at cutting costs should trigger a strong look into whether it results in cutting services to the most vulnerable in our community.

Michael Young

Sent from my iPad

From: [JT](#)
To: [CPH Testimony](#)
Subject: Testimony/Comments HB1539 3-13-19
Date: Monday, March 11, 2019 8:45:02 PM

Senate Committee on Commerce, Consumer Protection, and Health
Senator Rosalyn Baker, Chair
Senator Stanley Chang, Vice Chair

Testimony in Opposition of HB 1539 on March 13, 2019 at 9:00 am, Room 229

Hawaii is a unique place to live, work, and play and each island is unique from the others. The Hawaii Health Systems Corporation (HHSC) is to address the healthcare needs of Hawaii's unique island communities. This bill allows Kauai, Maui, East Hawaii, and West Hawaii regional oversight to keep their unique island lifestyle, but, it does not afford Oahu the same. This would be a loss for Oahu.

Almost everyone wants to live in their own home until they pass away. Maluhia and Leahi Hospitals in Oahu region provide services to help everyone to do this. Geriatric Physician Services, Express Meals (take home meal program providing meals for all types of diets), Adult Day Health Centers, and short term rehabilitation are provided at these facilities. These services are provided in two buildings only six miles apart but a world of difference to families needing to drive from one or the other in Oahu traffic especially since folks using these services live all over Oahu from Waianae to Kaaawa to Kailua and Hawaii Kai.

When caregivers become overwhelmed with caring for their loved one and/or it becomes too dangerous for the frail and disabled elder to live at home, both Maluhia and Leahi provided a home away from home in long-term care. Oahu regional services are considered a "safety net" for folks who need this care but cannot afford the high cost of such care.

This bill could negatively impact these services for our growing Oahu elderly population and should be looked at more closely before supporting it wholeheartedly.

Keep Oahu Oahu!

Respectfully submitted,

Jeri Takamiya

Donna G.
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Honolulu, Hawaii 96817

Committee on Commerce, Consumer Protection and Health
Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair

Hearing Date and Time: Wednesday, March 13, 2019 9:00
Hearing Place: Conference Room 229

Conference Room 229
State Capitol
415 South Beretania Street

Testimony on HB 1539, HD 1 Relating to the Hawaii Health Systems Corporation

Aloha, my name is Donna Grain and I am the Resident Council President. I have called Maluhia my home from the time I entered through the doors in April of 2013. **I would like to express my strong reservations** about this bill. I know the Oahu Region Board is comprised of volunteers who have a working knowledge in long-term care and have the best interest of us “mature” adults. Removing the Oahu Region Board would not only silence their voices, but more **importantly our voices** when it comes to decision making about Maluhia and Leahi.

I am very concerned about the future of Maluhia and Leahi. I have been reassured that no matter what happens, I will have a safe place to live. However, I have worked hard all of my life and after the decline in my health I have finally found a place where I can call my home and I feel cared for. I continue to serve my community and have a voice as the President of the Maluhia Resident Council. Please help us to preserve our voice in the Hawaii Health Systems Corporation.

Thank you for this opportunity to submit testimony.

A handwritten signature in blue ink that reads "Donna G." with a stylized flourish at the end.

Hearing Date: Wednesday, March 13, 2019
9:00 A. M. Conference Room 229

To: Committee on Commerce, Consumer Protection and Health members
Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair

From: John R., Resident of Maluhia Long Term Care Facility

Re: HB1539 HD1 Relating to Hawaii Health Systems Corporation TESTIMONY IN OPPOSITION

I am respectfully opposing HB1539. Please support and consider not only the elderly, but also disabled people like me when considering this bill. The Oahu Region Board is made of volunteer experts in the field that know what disabled and elder populations need on Oahu. If the HHSC Corporation Board took over there would not be the right representation for Oahu with other regional boards existing. I would like to share my story and why it is important to ensure Maluhia and Leahi is kept around as and state operated facilities.

I call Maluhia my home. The result of my history of drugs and tobacco led to me suffering two strokes. The first stroke left me having difficulty speaking and I had to use a cane. I went home, but my medications ran out. I had continued to smoke cigarettes. I suffered my second stroke about a month after the first. This left me debilitated as I could not move my left side of my body, I could not communicate more than small hand gestures, and I could not eat through mouth.

Over the years, I have learned to communicate through hand and facial gestures, use of my communication book, drawing, and sometimes I can say a word. I regained my ability to make my own decisions. A power wheelchair was donated to Maluhia and they selected me to use it. The power wheelchair has given me the independence I need! I am an active member of the Resident Council, which I always bring up and discuss important issues. Anyone who knows me knows I enjoy my food. I am glad I did not have to be tube fed long term so I can enjoy all food activities at Maluhia. The staff always makes an effort to get foods we like for special occasions such as laulau, asparagus, pancit/noodles, sushi, soups, etc. My other favorite activities are to play Mahjong and Bingo and watch TV and movies.

If I did not come to Maluhia, I probably would not be alive today. The staff has helped me get better and stronger. I believe I have a better quality of life than if I had returned home or gone to any other care facility. My wife and children go to work. My being here allows them to not to worry about me. Maluhia is my home! Where would me and my Maluhia co-residents go since a private facility cannot keep the majority of us? What about future people? There is not enough services out there for those on Medicaid especially with the elder population growing rapidly.

Please keep Oahu Region Board so they can represent disabled and elderly people. Please consider helping us stay home and future people in need of the great services at Maluhia and Leahi.

Thank you for the opportunity to testify.

From: [Carol Kigawa](#)
To: [CPH Testimony](#)
Subject: HB1539
Date: Tuesday, March 12, 2019 11:29:59 AM

Hi!

Re: testimony/comments regarding HB1539 on March 13, 2019 at 9 AM, room 229

My Mom attends Maluhia Adult Day Health Center twice a week. On the days she attends, they also give her a shower and shampoo. We do not have a handicap accessible bathroom and the cost to make it so, is too much for us to pay. She also uses the Maluhia Geriatric Physicians Services as her primary care doctor. This service means that she can see a doctor on the day she attends the day care. This saves my Mom having to go out on another day. At 94, she has very limited stamina and gets really tired when she has to go out.

As my Mom's sole caregiver these services are a life saver. I need some time when I can run to the market, do my banking, go to my doctor appointments, etc. Maluhia makes it possible for me to care for my mother at home and still have some time to get things done that need to be done.

Please do not vote for HB 1539. I need the services provided by Maluhia Adult Day Health Center to be able to continue taking care of my mother at home.

Thank you for your consideration of my testimony.

Carol Kigawa

Sent from my iPad

March 12, 2019

Senate Committee on Commerce, Consumer Protection, and Health

Hearing Date: March 13, 2019

Hearing Time: 9:00 am

Hearing Location: Conference Room 229, State Capitol

RE: HB 1539 – Written Testimony In Opposition

To Chair Baker, Vice Chair Chang and members of the Committee:

My name is Jason Woo and I am a current Hawaii Health Systems Corporation, Oahu Region Board Member. I have reviewed HB 1539 which provides for a drastic change in governance over the Oahu Region and its two long-term care facilities, Leahi and the Maluhia Hospitals.

Oahu Region's Mission

On February 4, 2019, by emergency teleconference and after an active discussion, the Oahu Region Board of Directors voted to **strongly oppose** HB 1539. The Oahu Regional System's mission statement is as follows:

The vision of Leahi Hospital and Maluhia Long Term Care Health Center is to be a proud center of long term care excellence, inspiring hope, aloha, and a feeling of ohana to those entrusted to us. The mission is to provide the highest quality of life in long term care through integrity: we act respectfully, responsibly and are accountable for everything we do; collaboration: we approach our work through teamwork and community partnerships; caring: we treat those we serve and each other with respect and compassion; commitment: we dedicate ourselves to continue our historic role in meeting the needs of our community; and innovation: we continuously look for better ways to improve our care and work processes.

In summary and spirit, the Oahu Region's mission is to serve and protect some of the most vulnerable members of our community and their families that other long-term care facilities simply will not serve due to costs, complexity of care, geographic accessibility difficulties, among other reasons. No one is more familiar or better equipped to serve this community than the Oahu Region Board and its current leadership.

Inevitable Conflict of Interest

Moreover, with all due respect to the HHSC Board, the Oahu Regional System and its community should be served by a board and leadership dedicated to the mission of the Oahu

Regional System, **without conflict**. Hawaii Revised Statutes (“HRS”) § 323F-7 expressly limits HHSC’s role to providing oversight and assistance related to corporation-wide matters. **It is inevitable that corporation-wide interests will eventually conflict with Oahu Region interests. In that event, HHSC will be unable to carry out its statutory corporation-wide mission AND the Oahu Region’s mission.** The most vulnerable members of our community, their families, and the community as a whole, may be left without a voice, board or leadership able to further the Oahu Region’s public interest. HB 1539 would effectively disenfranchise the community the Oahu Region serves and whose interests would inevitably be subordinate to corporation-wide or other regional interests.

A stark example of this inevitable conflict is presented in the East Hawaii Regional Board’s (“EHRB”) written testimony dated February 6, 2019. The EHRB has decided to take the completely untenable position of supporting the “recentralization of the Oahu Region...confident that the HHSC corporate board and administrative leadership will be able to guide Oahu facilities...” and in the very next breath state that the “EHRB is a fervent supporter of regionalization...to exercise local decision making regarding our communities’ health care has resulted in remarkable improvements to the quality and effectiveness of services provided...When our leaders use our facilities, when they take ownership of the care received by their friends, families, and neighbors, great things can and have happened”. The fact that the Oahu Regional System is limited to long term care facilities neither negates the real benefits of regional autonomy espoused by the EHRB nor does it make it any more uniquely disposed to cost efficiencies via recentralization in anyway.

HB 1539 Fails to Provide Any Cost Savings


HHSC has failed to provide any support for its vague conclusion that it could “provide the necessary oversight of the two Oahu facilities in a more cost-effective manner...” See Dr. Rosen’s written testimony dated February 20, 2019. Incongruously, HB 1539 seeks to eliminate the Oahu Regional Board, a volunteer board that serves the public interest without compensation. The elimination of the Oahu Regional Board would not result in any direct cost savings. HHSC would be required to continue to serve the needs of the community and would face the exact same difficulties related to providing the highest quality of care for a population that may be unable to fully compensate the facilities for that quality of care. If HHSC had a magic bullet to solve the Oahu Region’s financial difficulties, it has conspicuously failed to present such solutions to the Oahu Regional Board or its leadership.

Lastly, I understand that the legislature finds the current state of HHSC, as a whole, unsustainable. I would present to you that the services the Oahu Region and the other regional systems provide are valuable, necessary, and for the public good. I would note here that HRS § 323F-7(a) specifically provides that the duties and powers granted to the corporate board may be delegated to the regional systems, however, noticeably, it does not provide for the delegation of duties and powers from the regional systems to the corporate board. This was to avoid the inevitable conflicts and the legal minefield such a delegation of powers would entail. In order to comply with existing statutes, the original intent of the legislature when it created

the regional systems, and actually realize cost efficiencies desired by the current legislature, the only real solution is to delegate the duties and powers of the corporate board to the regional systems and eliminate the corporate board and leadership.

The current Oahu Region Board and its leadership continue to explore innovative ways to reduce the burdens upon the public purse such as potential partnerships with other acute care providers to alleviate the waitlist for costly acute care beds, expanding our services without costly capital improvements, possible lease revenue from the leasing of our facilities to private entities. The Oahu Region Board and its leadership would like to work more closely and directly with the legislature to find solutions to the legislature's concerns. The elimination of the Oahu Region Board and its leadership would be a immense disservice to the our elderly, their families, and the entire community.

Thank you,

A handwritten signature in black ink, appearing to read "Jason Woo". The signature is fluid and cursive, with a large initial "J" and "W".

Jason Woo, Esq.

Oahu Region Board Member

HB-1539-HD-1

Submitted on: 3/12/2019 9:45:12 PM

Testimony for CPH on 3/13/2019 9:00:00 AM

LATE

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|-----------------------------------|---------------------------|---------------------------|
| Daniel Rick | Testifying for Member HHSC BOD | Support | No |

Comments:

HB-1539-HD-1

Submitted on: 3/13/2019 7:31:09 AM

Testimony for CPH on 3/13/2019 9:00:00 AM

LATE

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------------------|--|---------------------------|---------------------------|
| Jay E. Kreuzer, MHA, FACHE | Testifying for W. Hawaii Region, Hawaii Health Systems Corp. | Support | No |

Comments:

From: [Minerva Del Banco](#)
To: [CPH Testimony](#)
Subject: HB 1539
Date: Tuesday, March 12, 2019 11:56:05 PM



I am very thankful for the services provided by the Maluhia adult day health for my 89 year old mother who has dementia and is under medicaid. She looks forward to going to the day health and it allows her to stay home longer instead of being institutionalized. I can go to work knowing she is taken care of. In the future, she may need long term care.

A lot of seniors under Medicaid will need the adult day health and long term care. Otherwise these services are not affordable to ordinary working families and low income seniors.

Please take into consideration the needs of our low income kupunas and their families.

Mahalo!