



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

"Quality Healthcare For All"

House Committee on Health
Rep. John M. Mizuno, Chair
Rep. Bertrand Kobayashi, Vice Chair

February 7, 2019
Conference Room 329
8:30 a.m.
Hawaii State Capitol

**Testimony commenting on House Bill 1539
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) board of directors offers the following comments on HB 1539.

HHSC was created by the Legislature in 1998 as a separate agency to administer the twelve public hospitals located across the state. For the first ten years of its existence, it was centrally administered from Oahu by a board of directors comprised of representatives from all counties. The system had five geographic areas, each with its own local advisory council. Approximately ten years ago, the statute was revised and HHSC was re-organized into five regions, each with its own board of directors who have operational control of the facilities and finances in their region. Since then, the corporate board has provided primarily policy oversight and support to the regions. Many current HHSC corporate board members have previously served on HHSC regional boards.

The history of HHSC has been shaped in large part by the changing nature of our neighbor islands. As their population grows, the demand for health services similar to those offered in Honolulu increases. HHSC is currently focused on meeting that demand without asking for ever-increasing taxpayer subsidies. That is why our board supports efforts to reduce our general fund request whenever possible.

This measure can reduce expenditures by streamlining the organization of HHSC to place the responsibility for its two Oahu facilities, Maluhia and Leahi hospitals, under the corporate board. These facilities are approximately six miles from each other and are exclusively focused on long-term care at the skilled and intermediate nursing level while also providing adult day care. All of HHSC's neighbor island facilities provide long-term care to similar populations, and the corporate board is very familiar with the 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.

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 as compelling. The corporate board can provide the necessary operational oversight of the two Oahu facilities in a more cost-effective manner than having a completely separate regional administration.

Thank you for the opportunity to testify.

Chair Joy San Buenaventura
Vice Chair Nadine Nakamura
House Committee on Human Services & Homelessness

Chair John Mizuno
Vice Chair Bertrand Kobayashi
House Committee on Health

Wednesday, February 6, 2019

TESTIMONY IN OPPOSITION OF HB1539 for the HSH/HLT hearing on Thursday, February 7, 2019, 8:30AM, Room 329.

Dear Chairs San Buenaventura and Mizuno, Vice Chairs Nakamura and Kobayashi, and Members of the Committees,

My name is Julie Takahashi, and I am writing to express my opposition to **House Bill 1539**, 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.

As a taxpayer myself, I understand the need to be very prudent and diligent when it comes to spending taxpayer dollars. We should expect nothing less. The ongoing increase in healthcare costs affects everyone; and, as with each regional board within HHSC, the Oahu region board should also be held accountable for maximizing accessible, high quality care in a fiscally responsible manner. However, by basically doing away with the Oahu region board as HB 1539 would execute, a key component of balancing the needs and interests of the people on Oahu while working to aggressively improve the financial state would be lost.

I appreciate the opportunity to share my thoughts with you and thank you for your consideration.

Respectfully yours,

Julie Takahashi



**OAHU REGION
HAWAII HEALTH SYSTEMS CORPORATION**

House Committee on Health
Representative John M. Mizuno, Chair
Representative Bertrand Kobayashi, Vice Chair

February 7, 2019
Conference Room 329
8:30 AM
Hawaii State Capitol

Derek Akiyoshi
Oahu Region Chief Executive Officer
Hawaii Health Systems Corporation
Re: Testimony in Opposition
HB 1539, Relating to the Hawaii Health Systems Corporation

Good morning Chair Mizuno, Vice Chair Kobayashi and members of the committee,

My name is Derek Akiyoshi and I am the Oahu Regional Chief Executive Officer of the Hawaii Health Systems Corporation.

The Oahu Region Board of Directors and senior leadership have reviewed **HB 1539** concerning the change of its governance over the Oahu Region and its two long-term care facilities, Leahi Hospital and the Maluhia Long Term Care facility presently being operated by the region.

The Oahu Region Board has voted to oppose this measure during the current legislative session, but they are still interested in studying and better understanding the feasibility of privatization of the facilities that may increase services and reduce costs to the state. Additionally, the Oahu Region Board would like to more closely scrutinize the ramifications to our many constituents including the 211 current patients who reside at Leahi Hospital and Maluhia and to their caregivers and families, our 413 employees and the overall community. Our primary concern is for the fair and equitable treatment and continued care of some of the most vulnerable members of our community and their families. No one knows these groups as well as the Oahu Region and it is in the public interest that the Board and leadership of the

Oahu Region remain the governing body for the many critical services and constituents that we serve.

The services provided by the Oahu Region are necessary and irreplaceable in our community. They are also expensive to deliver, due to low Medicaid reimbursement rates for the vulnerable population we serve. Additionally, in preparation for next year, the Oahu Regional board is the most qualified to consider and suggest enabling legislation language based on Act 103 that allowed for the Maui Hospital transition to protect the interests of this population with a sustainable model of care.

Our adult day health programs at both facilities provide daytime health care for approximately 110 participants with medical needs ranging from administration of medications to providing total care. More importantly, allowing the participants to remain in their homes within their respective communities and affording much needed respite for their caregivers. We are also participants in the Meals-On-Wheels program and provide more than 350 meals per week based on individualized dietary requirements to homebound individuals. We have a Geriatric Outpatient Clinic at Maluhia with plans to consider opening another outpatient clinic at Leahi to serve the needs of geriatric patients in the Kaimuki area. Both facilities also provide physical, occupational and speech rehabilitation services.

The tuberculosis clinic inpatient unit at Leahi is the only one of its kind certified to care for active TB patients in the State of Hawaii. A portion of our Leahi campus is dedicated for use as classrooms by students enrolled in the Kapiolani Community College School of Nursing. Another part of our Leahi campus is used by Hale Mohalu, a facility for patients with Hansen's disease, for whom we provide full dietary services. In an effort to assist the Hawaii State Hospital, our North Trotter Unit on the Leahi campus has admitted former patients from the State Hospital whose needs are more closely aligned with services we can provide. The Leahi campus also houses offices of the City and County of Honolulu's Emergency Medical Services Department.

As a result of our deep and thorough knowledge of these and other important programs, we respectfully request that the Oahu Region not be excluded from its own governance, but to be allowed to continue to contribute. I can be reached at (808) 733-7911 or dakiyoshi@hhsc.org.

HB-1539

Submitted on: 2/6/2019 8:08:30 AM

Testimony for HLT on 2/7/2019 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

LATE

HB-1539

Submitted on: 2/6/2019 10:22:46 PM

Testimony for HLT on 2/7/2019 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Elena Cabatu	East Hawaii Regional Board of Hawaii Health Systems Corporataion	Comments	No

Comments:

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.

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 subsid 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 proscribed in HB1539, we reiterate the unique environment of the neighbor islands of 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.

HB-1539

Submitted on: 2/5/2019 9:15:08 PM

Testimony for HLT on 2/7/2019 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kimberly Oshiro	Individual	Oppose	No

Comments:



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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

LATE

The Thirtieth Legislature, State of Hawaii
House of Representatives
Committee on Health

Testimony by
Hawaii Government Employees Association

February 7, 2019

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

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO raises serious concerns over the purpose and intent of H.B. 1539 which abolishes the Oahu region of the Hawaii Health Systems Corporation and merges those functions with the Corporate Board.

The two hospitals in the Oahu region of the Hawaii Health Systems Corporation, 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 off of 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. However if the policy direction is to increase regional autonomy, as was legislated in 2007, then the Corporation should dissolve to fully empower community-based health care decisions. Given the two opposing policy directions, and after 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 raise concerns over the impact of H.B. 1539.

Respectfully submitted,

for Randy Perreira
Executive Director