



February 21, 2020 at 1:30 pm
Conference Room 308

House Committee on Finance

To: Chair Sylvia Luke
Vice Chair Ty J.K. Cullen

From: Paige Heckathorn Choy
Director of Government Affairs
Healthcare Association of Hawaii

Re: **Testimony in Support**
HB 2502 HD 1, Relating to Health

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the health care continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

We appreciate the opportunity to provide **support** for this measure. We appreciate the legislature's acknowledgment of the importance of a strong healthcare workforce. Our members are actively working to address current workforce needs and to meet the demands of our aging population. This includes an initiative to provide more opportunities for students in health academies at public high schools to receive industry certification that will allow them to secure a well-paying job in a healthcare role upon graduation. From there, students can embark on a career path in healthcare with many growth opportunities.

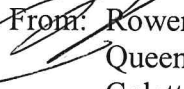
The state government also has a role in determining the needs for healthcare services in communities across the islands, as evidenced by the Certificate of Need (CON) program. The CON program has a rigorous process that includes public hearings, with an opportunity for all parties to provide input and engage in discussion about whether the criteria—including the availability of healthcare personnel—is met as part of any application. We appreciate the measured approach of this legislation to consider workforce needs as part of the CON criteria that SHPDA must use for any applications.

Thank you for the opportunity to provide comments on this measure.



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Sylvia Luke, Chair
The Honorable Ty J.K. Cullen, Vice Chair
Members, Committee on Finance

From:  Rowena Buffett Timms, Executive Vice President & Chief Administrative Officer, The Queen's Health Systems
Colette Masunaga, Manager, Government Relations & External Affairs, The Queen's Health Systems

Date: February 19, 2020

Hrg: House Committee on Finance Hearing; Friday, February 21, 2020 at 1:30 P.M. in room 308

Re: **Comments on HB 2502 HD1, Relating to Health**

The Queen's Health Systems (Queen's) is a not-for-profit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, 66 health care centers and labs, and more than 1,600 physicians statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to offer comments on H.B. 2502 HD1, relating to health. This measure include in the relationship to the existing health care system of an area, the availability of workforce, as a criterion that the State Health Planning and Development Agency (SHPDA) may adopt as part of its certificate of need (CON) review.

Queen's believes that this version of the bill is an improvement from previous language that would have allowed facilities to circumvent the CON process, which prevents over commercialization of medical services in Hawaii.

When reviewing CON applications, SHPDA considers six criteria categories, which include relationship to the Health Services and Facilities Plan, need and accessibility, quality, cost and financial impact, relationship to the existing health care system, and availability of resources for the proposed service. The measure may not be necessary since these six criteria take into consideration workforce availability.

Thank you for the opportunity to testify on this measure.

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.

**State of Hawaii House of Representatives
Committee on Finance**

**HB 2502 Relating to Health
TESTIMONY IN SUPPORT**

TESTIFIER: Palani Smith - Liberty Dialysis/FMC
DATE: Friday, February 20, 2020
TIME: 1:30 PM
PLACE: Conference Room 308

Good afternoon Chair Luke, Vice-Chair Cullen and members of the Hawaii State House Committee on Finance:

My name is Palani Smith and I am the Director of Market Development for Liberty Dialysis-Hawaii, a Fresenius organization. Thank you for allowing me to provide testimony IN STRONG SUPPORT of HB2502 related to Health and addressing the concerns of our chronic healthcare workforce shortage in the State of Hawaii.

Let me start by stating that we are pro-development in accordance to meeting the healthcare needs of communities and we fully support the Certificate of Need (CON) process. However, because of the severe shortage of healthcare workers and nephrologists, we find it necessary to address changes in the CON vetting criteria to specifically address workforce shortages especially in the rural areas of the state.

We appreciate the efforts of the State Health Planning Department Agency's (SHPDA) and Attorney General's amendment to HB2502 in providing the language being heard today. We also appreciate previous oral testimony provided by Kaiser Permanente not objecting to the amended language should legislators move to pass this measure.

Liberty Dialysis-Hawaii, with its 27 statewide clinics, 675 employees and 2,500 patients and their families, works tenaciously everyday to be a provider of sustainable, high-quality dialysis care. This legislation addresses a series of critical challenges facing our rural clinics. With a growing chronic kidney disease (CKD) population in Hawaii, the need to provide life-sustaining treatment for End Stage Renal disease (ESRD) patients is also on the rise.

However, the number of existing and new patients do not correspond in proportion to the rate of required healthcare workers currently employed and entering the workforce. While Liberty Dialysis-Hawaii enjoys a 90% employee retention rate, according to the Healthcare Association of Hawaii, there is a shortage of 2,200 healthcare workers across our state in various disciplines. With rural areas being hit the hardest with this crisis, and some of our clinics intermittently mandating 16-hour work schedules to continue treating patients, we are at a tipping point.

A focus on the workforce shortage issue, through an added provision in the CON application criteria, allows for critical fact-finding in the SHPDA decision-making process. This does not restrict new development, nor does it prevent patients access to care. What it does do, however, is to ensure that the needs of the community are met while not causing undue hardship to existing patients and services.

While the current CON process lightly touches upon the issue of impact to the existing healthcare system of the areas it does not specifically, as a part of a category, cover the topic of workforce shortages. Therefore, it is our contention that this is not redundant with the current rules. The following are the established criteria the State Health Planning Department Agency uses for CON applications:

- The relationship of the proposal to the Health Services and Facilities Plan.
- Need for and accessibility of the proposal.
- Quality of the service or care that is proposed
- Cost and financial impact of the proposal
- Relationship of the proposal to the existing health care system
- The availability of resources for the proposed service.

In 2002, St. Francis Healthcare system had 2 hospitals and was considered by the Centers for Medicare and Medicaid Services (CMS) to be the largest dialysis acute care system in the nation. To that point, then Administrator of CMS, Tom Scully, stated to the St. Francis Sisters of Syracuse, “I don’t know how you have been able to survive for so long” As we know, 4 years later, the sisters reorganized their system by selling their dialysis facilities and hospitals because it was no longer sustainable.

The reason I mention this, is because of the consequential impact of this issue. If we are not able to provide high quality of care to our patients, they may end up in one of our hospitals. If that happens, then these patients have an average length of stay anywhere from 3-7 days. Each day a dialysis patient is in the hospital, not only is a bed occupied, but the hospital sustains a loss because of reimbursement issues. So, this issue not just impacts our clinics on the front-end but also the hospital systems as well.

In closing, I reiterate our position, that we support development to address the growing healthcare needs of our communities. This legislation addresses this because it puts forth another key element regarding workforce shortages for consideration of new development, which as a matter of course, will meet the community’s needs regarding access to care. Secondly, we support the CON process as it is a needed function to ensure a system is in place to manage Hawaii’s overall healthcare system and the impact development, or lack thereof, affects our communities. However, because of the severity of the shortages in our healthcare workforce, we need to more closely scrutinize this issue and the impact new healthcare development has on our existing healthcare providers and the healthcare system within this state.

The net result, of which, is to ensure a sustainable and robust healthcare network in our state for years to come. Thank you again for allowing me to share our perspective on this issue.



College of Health and Society
(Nursing, Public Health, Social Work)

State of Hawai'i House of Representatives
Committee on Finance

HB 2502 Relating to Health
TESTIMONY IN SUPPORT

Testifier: Halaevalu Vakalahi, Professor & Dean
Hawai'i Pacific University, College of Health & Society

Date: February 20, 2020

Time: 1:30pm

Place: Conference Room 308

Aloha Chairwoman Luke, Vice-Chair Cullen, esteemed colleagues of this Committee and a special recognition of our amazing supporters from the community.

My name is Halaevalu Vakalahi, I am a Professor and the Dean of the College of Health & Society at Hawai'i Pacific University. I submit this testimony in **strong support of HB2502** relating to Health which has major implications for institutions of higher education as workforce development agents, and the urgent need for a comprehensive response to the workforce shortage in healthcare across the State of Hawai'i. HB2502 will facilitate the creation of a comprehensive response that is sustainable which requires all stakeholders to be at the table from institutions of higher education and community health organizations who partner in educating and training our workforce as well as communities, families, and individuals who are recipients of care.

As a Dean, I have kuleana over the 3 disciplines of Nursing (with degrees of BSN, MSN, and DNP), Public Health (BSPH and MPH), and Social Work (BSW and MSW), all fully accredited programs focused collectively on physical health, mental health, and community health. We are also currently developing a DPT program which will be the first of its kind in the State. Our students are grounded in core values of aloha, pono, and kuleana, and educated through a methodology continuum that leverages expertise of faculty and healthcare professionals for classroom instruction, simulation lab, practicum/clinical, and community engagement. On average, the College of Health & Society graduates about 200 nurses, public health workers, and social workers each year. We continue to produce well-educated, well-trained, and well-rounded professionals for our Hawai'i healthcare systems and larger communities.

As much as we are producing market-ready health professionals and leaders, however, we are still experiencing a shortage in our healthcare workforce in the context of a national and global shortage linked to population growth, the gerontological explosion, retirement, challenges with recruitment and retention of healthcare workers, etc. Thus far, the consequences of the healthcare shortage particularly in the chronic illness fields have been dire not only for patients, families, and communities, but for healthcare professionals and the organizations to which they belong.

In creating a more comprehensive response to this healthcare workforce shortage, investments of resources in the capacity of healthcare system organizations and higher education in terms of workforce preparation are imperative. First, growth and development in healthcare as supported by this legislation and the CON process will no doubt increase capacity for access to healthcare across urban and rural communities in the State of Hawai'i. However, it is crucial that we improve the CON process and ensure sustainability of existing healthcare providers and balance in the broader healthcare system across the State in addition to new healthcare development. Second, the solution to our healthcare workforce shortage must leverage the partnership between universities and healthcare organizations that educate and train students, otherwise we will continue to 'play catch up'. For example, we must grow local and hire local through investing resources in the creation of pipelines and pathways for advancement in clinics and hospitals alike and encouraging lifelong learning as a mechanism for better care and career advancement. For recruitment to and retention in the healthcare workforce, among many things, we must invest resources in developing local students as healthcare leaders in their respective communities especially rural communities; invest in the expansion of enrollment capacity of universities; incentivize the clinical placement capacity of organizations; make the hiring process easy for our well-prepared graduates to be hired at home; offer a pathway to our local hospitals but also incentivize pathways to clinics and community settings; and ensure livable wages for healthcare professionals across the spectrum. Again, I certainly hope that we will leverage this opportunity to do better by our keiki and kupuna in terms of ensuring access to sufficient quality healthcare, and a responsive and sustainable healthcare network with a well-prepared workforce that's committed to healthier individuals, families, and communities in Hawai'i.