

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

March 15, 2021

TO: The Honorable Representative Linda Ichiyama, Chair
House Committee on Pandemic & Disaster Preparedness

FROM: Cathy Betts, Director

SUBJECT: **SB 266 SD2 – RELATING TO CORONAVIRUS 2019 PANDEMIC**

Hearing: March 16, 2021, 9:00 a.m.
Via Videoconference, State Capitol

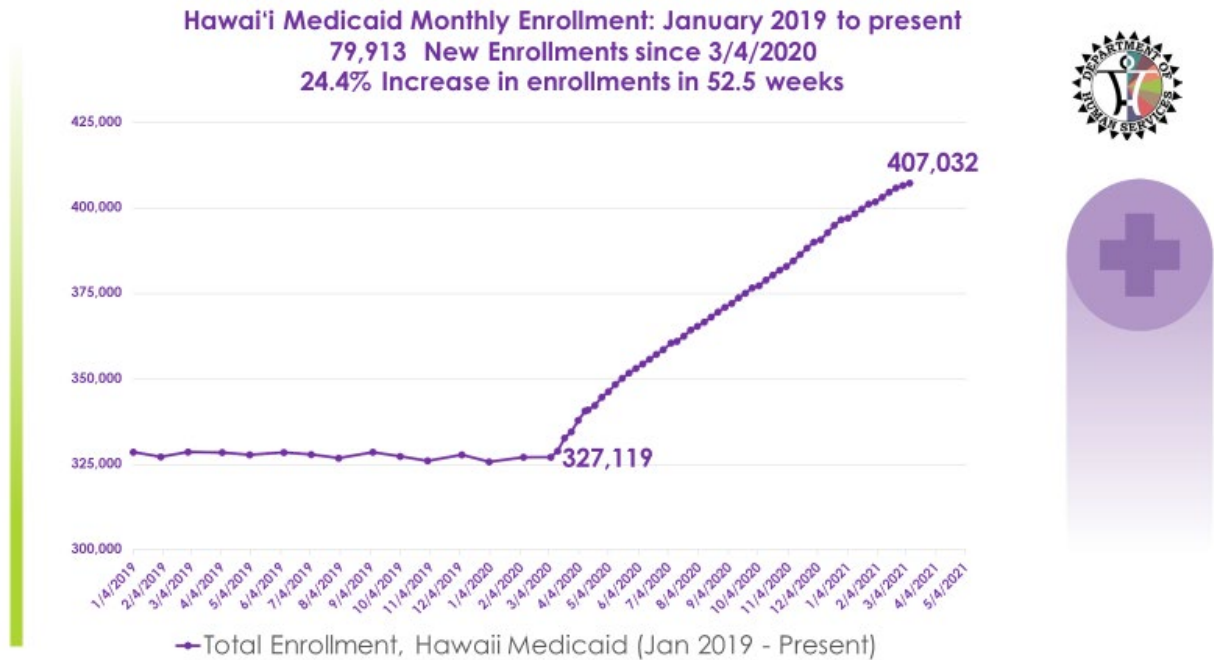
DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this measure. At the time of preparation of similar administration measures SB1088 and HB934, DHS projected requiring an additional \$1,000,000 general fund appropriation for State Fiscal Year 2022 for operations to maintain the level of benefits and services at pandemic levels.

However, since then we received information from FEMA denying our reimbursement requests for certain COVID-19 related services during SFY 2020 and SFY 2021 and are now also projecting additional COVID-19 related expenditures for SFY 2022 and SFY 2023. We are discussing these additional expenditures with the Department of Budget & Finance and will update the Legislature as to the additional amounts as this measure progresses.

DHS appreciates the amendments of the Senate Committee on Health that replaced the contents of the measure with the contents of SB1088. The Senate Committee on Ways and Means made technical amendments.

PURPOSE: This measure appropriates moneys for the COVID-19 relief activities and to provide transparency. Effective 7/1/2050. (SD2)

Since the onset of the Covid-19 pandemic, the caseloads of all major public benefits programs have dramatically increased. The first table below illustrates the primary example



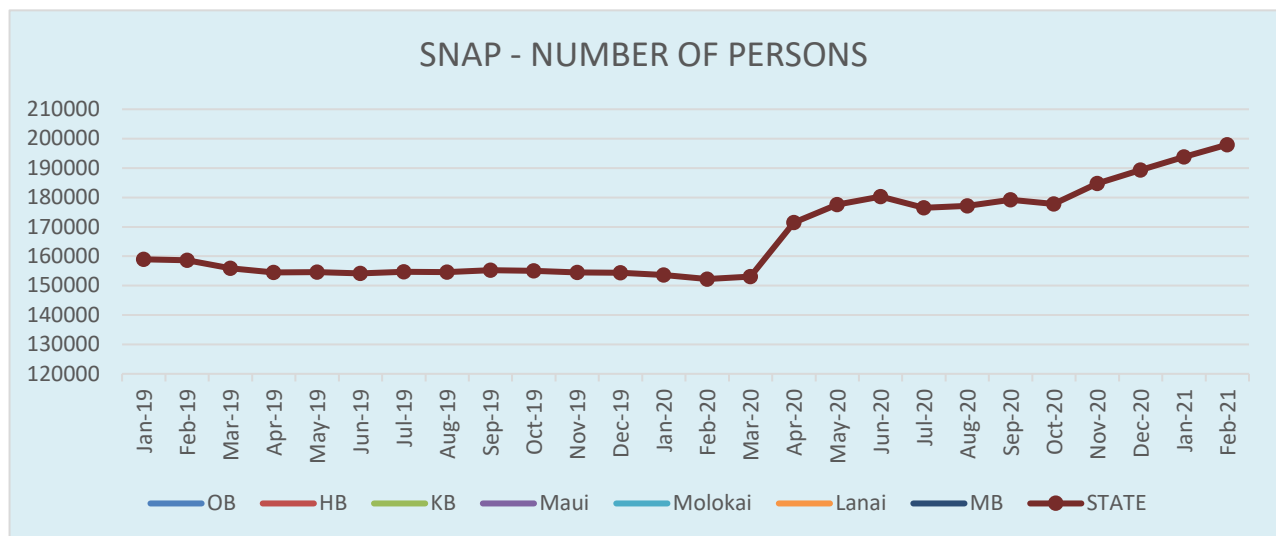
that shows as of March 1, 2021, Med-QUEST enrollees exceed 407,000 Hawaii residents, a **24.4%** increase since March 2020.

Similarly, since February 2020 through January 2021, all financial program caseloads increased as follows:

Program	TANF	TAONF	AABD	GA
Description	Assistance for families with minor children	Assistance for families with minor children/mixed citizenship households	Assistance for aged (65+), blind & disabled, not eligible for SSA benefits	Temporary disability for adults without dependent minor children
February	9473	1785	917	5201
March	9814	1826	903	5472
April	12297	3056	949	5977
May	13649	3985	973	6647
June	14150	4406	1000	7015
July	14400	4667	1027	7094
August	14606	4820	1016	6946
September	14919	5007	1006	6802
October	15488	5243	981	6814

Program	TANF	TAONF	AABD	GA
Description	Assistance for families with minor children	Assistance for families with minor children/mixed citizenship households	Assistance for aged (65+), blind & disabled, not eligible for SSA benefits	Temporary disability for adults without dependent minor children
November	15990	5683	1001	6732
December	16143	5890	1024	6765
January 2021	16106	5967	1018	6626
Percent Increase	70%	234%	11%	27%

The number of individuals now receiving Supplemental Nutrition Assistance Benefits (SNAP) now exceeds 197,000 residents, a **26.11%** increase since January 2020. The table below shows the change in case load since January 2019 through January 2021:



In 2020 and 2021, to process the surge of applications and maintain these caseloads and establish new processes to distribute existing and new pandemic related benefits and programs, we incurred overtime and other operational costs to maintain access to services and benefits. With the continuing uncertainties regarding the pandemic and Hawaii's economic recovery, we anticipate that through SFY 2021 and likely through the biennium, we will maintain these caseloads, with little to no change in staffing levels.

These case load increases are also influenced by numerous programmatic waivers approved by federal agencies. As pandemic related waivers recede and regular program rules

March 15, 2021

Page 2

are reinstated, we anticipate additional administrative expenses as eligibility redeterminations and other program integrity measures return. We also anticipate with eligibility re-determinations, there will likely be an increase in requests for administrative review and fair hearings.

With CARES Act funds we added IT capabilities to process on-line applications, distribute pandemic-EBT benefits to eligible school children, and to support staff's ability to continue to telework safely, securely, and with appropriate equipment. We are expecting significant amounts of additional federal funding from the Consolidated Appropriations Act of 2021 and the American Recovery Plan of 2021. To distribute these funds, timely and accurately, while maintaining our regular programming, we will need to make additional system modifications, revise or draft program rules, as well as hire new staff and train staff on the new programming and processes. We are also receiving and being tasked with a range of cross sector data sharing and analytics and require staff and system resources to provide project management, and address data governance issues.

DHS continues to collaborate and innovate during the pandemic to make access to benefits and services easier for Hawaii's residents and to provide our workforce with better tools and capabilities, while maintaining our priority to adhere to health and safety protocols.

Thank you for the opportunity to provide testimony in support of this measure.

DAVID Y. IGE
GOVERNOR



KENNETH S. HARA
MAJOR GENERAL
ADJUTANT GENERAL

STEPHEN F. LOGAN
COLONEL
DEPUTY ADJUTANT GENERAL

STATE OF HAWAII
DEPARTMENT OF DEFENSE
OFFICE OF THE ADJUTANT GENERAL
3949 DIAMOND HEAD ROAD
HONOLULU, HAWAII 96816-4495

TESTIMONY ON SENATE BILL 266 SD1
A BILL RELATING TO THE CORONAVIRUS 2019 PANDEMIC

PRESENTATION TO
Pandemic & Disaster Preparedness

BY
MAJOR GENERAL KENNETH S. HARA
ADJUTANT GENERAL AND DIRECTOR OF STATE EMERGENCY MANAGEMENT AGENCY

March 15, 2021

Chair Donovan M. Dela Cruz, and Vice Chair Gilbert S.C. Keith-Agaran, and Members of the Committee.

I am Major General Kenneth S. Hara, State Adjutant General and the Director of the Hawaii Emergency Management Agency. I am testifying in **SUPPORT** of Senate Bill 266 SD2.

Thank you for the opportunity to provide written testimony on behalf of the Department of Defense which supports SB266 SD2, Making Appropriations to the Department of Defense Relating to COVID-19 Expenditures.

Highlights of the Emergency Appropriation request will fund the State's Safe Travels Program, Call Center Operations, and procurement, storage and distribution of personal protective equipment.

The Department of Defense request an additional \$36,054,196 for state fiscal year 2022, assuming current levels of support are required for the States Safe Travels Program and assuming Soldiers and Airman will continue to be federally funded.

Thank you for the opportunity to support SB266 SD2.

If you have any questions or need additional information to our response, please contact our Administrative Services Officer, Rusty Spray at (808) 330-7744 or at rusty.spray@hawaii.gov

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

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

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

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

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON PANDEMIC & DISASTER PREPAREDNESS
ON
SENATE BILL NO. 266, S.D. 2

March 16, 2021
9:00 a.m.
Via Videoconference

RELATING TO THE CORONAVIRUS 2019 PANDEMIC

The Department of Budget and Finance supports and offers comments on Senate Bill (S.B.) No. 266, S.D. 2.

S.B. No. 266, S.D. 2, provides additional staffing and an unspecified amount of general funds to various departments and agencies for FY 22 and FY 23 to fund programs and activities related to the State's coronavirus (COVID-19) response efforts, to include: Hawai'i Safe Travels Program expenditures, healthcare and medical costs, storage and vaccination distribution, funding for critical positions for COVID-19 relief, and other associated operating expenditures.

The COVID-19 pandemic has been devastating to global, national, and state economies. Federal funds appropriated to the State of Hawai'i by the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136, provided funding to implement and administer various COVID-19-related response, relief, and mitigation programs and activities for the first half of FY 21. The American Rescue Plan Act of 2021 (ARPA) was also passed into law on March 11, 2021, to provide \$1.9 trillion in economic stimulus for

the nation's continued recovery from the economic and health effects of the pandemic. The State of Hawai'i can use a portion of the anticipated stimulus funds toward expenditures identified in this bill; however, it is recommended, in exercise of caution and prudence, that S.B. No. 266, S.D. 2, and other COVID-19-related appropriations be passed forward "as is" until details on the ARPA are known.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY
919 Ala Moana Boulevard, 4th Floor
Honolulu, Hawaii 96814

MAX N. OTANI
DIRECTOR

Maria C. Cook
Deputy Director
Administration

Tommy Johnson
Deputy Director
Corrections

Jordan Lowe
Deputy Director
Law Enforcement

No. _____

TESTIMONY ON SENATE BILL 266, SENATE DRAFT 2
RELATING TO CORONAVIRUS 2019 PANDEMIC.

by
Max N. Otani, Director

House Committee on Pandemic and Disaster Preparedness
Representative Linda Ichiyama, Chair
Representative Stacelynn K.M. Eli, Vice Chair

Tuesday, March 16, 2021; 9:00 a.m.
State Capitol, Conference Room 309
Via Videoconference

Chair Ichiyama, Vice Chair Eli, and Members of the Committee:

The Department of Public Safety (PSD) **supports** Senate Bill (SB) 266, Senate Draft (SD) 2, which makes appropriations to PSD to fund the continued response to Coronavirus 2019 pandemic in fiscal year 2021-2022. The funding requested is urgently needed to respond to the unprecedented COVID-19 pandemic. PSD respectfully requests the Committee on Pandemic and Disaster Preparedness to authorize allocations totaling \$8,921,656 to PSD under the following:

Under Section 18, \$6,492,536 to fund:

- PSD 421- Health Care: \$2,279,616 SARS-CoV-2 Test for Inmates
- PSD 421- Health Care: \$884,000 for contract Physician Services
- PSD 421- Health Care: \$1,216,800 for 24-hour contract Nursing Services
- PSD 421- Health Care: \$912,120 for contract nurses to conduct in-facility testing

- PSD 808- Non-State Facilities: \$1,200,000 for Inmate Hospitalization Cost at non state facilities

Under Section 19, \$2,200,000 to fund:

- PSD 900- General Administration: \$1,800,000 to sustain minimal levels of weekly deep cleaning and disinfection/sanitation of correctional institutions
- PSD 420- Corrections Program Services: \$400,000 for the Food Services Program

And finally, under Section 20, \$229,300 for PSD 503- Sheriffs for the Safe Travels Hawaii law enforcement needs.

In order to effectively address the level of care and safety at all correctional facilities and provide the necessary law enforcement presence to make the Safe Travels Hawaii program successful, the continued funding in fiscal year 2021-2022 is vitally important.

Thank you for the opportunity to present this testimony.



**Testimony to the House Committee on Pandemic & Disaster Preparedness
Tuesday, March 16, 2021; 9:00 a.m.
State Capitol, Conference Room 309
Via Videoconference**

RE: SENATE BILL NO. 0266, SENATE DRAFT 2, RELATED TO THE CORONOVIRUS 2019 PANDEMIC.

Chair Ichiyama, Vice Chair Eli, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 0266, Senate Draft 2, RELATED TO THE CORONOVIRUS 2019 PANDEMIC.

The bill, as received by your Committee, would appropriate general funds for fiscal year 2021-2022, to the Departments of Defense, Health, Human Services, and Public Safety, and the Hawaii Health Systems Corporation, to supplement the continuation of various COVID-19 related response, relief, and mitigation programs and activities.

By way of background, the HPCA represents Hawaii Federally-Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

Ever since COVID-19 hit Hawaii's shores, FQHCs have worked with our partner health care providers and the State Department of Health, the Counties of Hawaii, Kauai, and Maui, and the City and County of Honolulu to plan and implement the enormous task of immunizing Hawaii's citizens. The federal government has helped enormously by fast-tracking the vaccine and paying for the hundreds of millions of doses that will need to be distributed throughout our Nation. However, the federal government is not paying for the administrative costs of delivering this medication to citizens. This includes, among other things, the purchase of needles, syringes, personal protection equipment, as well as the time of health care professionals away from their normal duties to perform this added responsibility.

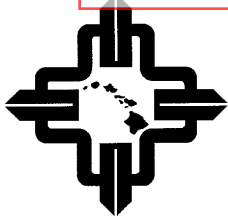
Testimony on Senate Bill No. 0266, Senate Draft 2
Tuesday, March 16, 2021; 9:00 a.m.
Page 2

Because these costs were not previously budgeted, the Administration has had to scramble to find resources within existing budgets to, among other things, start the immunizations of first responders and health care providers. That they had gotten us this far, the Administration should be commended for their creativity and willingness to work with the providers.

The immunization plan is just one example of how COVID has had a profound systemic impact on all government services provided by the State of Hawaii. There are many more issues just like this that the Administration has had to address immediately and decisively, including those related to civil defense, transportation, human services, health and public safety just to name a few.

For this reason, the HPCA urges your favorable consideration of this important measure.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.



HAWAII HEALTH SYSTEMS

C O R P O R A T I O N

"Quality Healthcare For All"

COMMITTEE ON PANDEMIC & DISASTER PREPAREDNESS

March 16, 2021
9:00 a.m.
Hawaii State Capitol
Via Videoconference

Testimony in Strong Support of Senate Bill 266, SD2 RELATING TO COVID-19.

Appropriates moneys. Effective 7/1/2050. (SD2)

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

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony **in strong support of S.B. 266, SD2** that provides appropriations to continue funding for various COVID-19 response related programs and activities.

Section 17 of this bill provides general fund appropriations of \$31,900,000 to HHSC for fiscal year 2022 to be used as a cash infusion to offset revenue shortfalls of the regional facilities of the corporation located in the counties of Oahu, Hawaii, and Kauai due to the COVID-19 pandemic. HHSC's base general fund appropriation request for fiscal years 2022 and 2023 is \$100,709,000 and \$98,036,000, respectively. The vast majority of that request is to fund approximately \$63,800,000 each year in projected lost revenues as a result of the impact of COVID-19. As the true impact on the operating revenues of HHSC's hospitals is still unknown depending on the status of getting Hawaii residents vaccinated and achieving herd immunity as well as the timing and extent of opening up the State to tourism, HHSC projected that inpatient revenues will reach a maximum of 90% of pre-COVID-19 levels, with outpatient and Emergency Department revenues remaining at approximately 60% to 90% of pre-COVID-19 levels. This is consistent with what HHSC has experienced since the height of the COVID-19 pandemic in April 2020.

Thank you for the opportunity to testify before this committee **in strong support** of this measure.