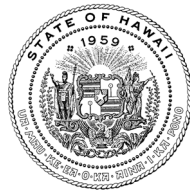


JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
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
Ka 'Oihana Mālama Mo'ohelu a Kālā
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

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON HEALTH & HOMELESSNESS
ON
HOUSE BILL NO. 1255

**February 8, 2023
8:30 A.M.
Room 329 and Videoconference**

RELATING TO SPECIAL PURPOSE REVENUE BONDS.

The Department of Budget and Finance offers the following comments on House Bill No. 1255 which authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist West Maui Hospital Foundation, Inc., a Hawaii corporation, to finance the costs related to the design and construction of and equipment for the West Maui Hospital and Medical Center, including any necessary infrastructure improvements pursuant to Part II, Chapter 39A, Hawaii Revised Statutes.

The Department would like to inform the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state and credit underwriting requirements. For additional information, please consult our FAQ located at the following link: <http://budget.hawaii.gov/wp-content/uploads/2012/11/SPRB-FAQ.pdf>.

Thank you for your consideration of our comments.

Council Chair
Alice L. Lee



Director of Council Services
Traci N. T. Fujita, Esq.

Councilmembers
Tom Cook
Gabe Johnson
Tasha Kama
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Yuki Lei K. Sugimura
Nohelani U'u-Hodgins

Deputy Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 6, 2023

TO: The Honorable Representative Della Au Belatti, Chair,
and Members of the House Committee on Health & Homelessness

FROM: Alice L. Lee
Council Chair

A handwritten signature in cursive script, appearing to read "Alice L. Lee".

SUBJECT: **HEARING OF FEBRUARY 8, 2023; TESTIMONY IN SUPPORT OF
HB 1255, RELATING TO SPECIAL PURPOSE REVENUE BONDS**

Thank you for the opportunity to testify in **support** of this important measure. The purpose of this measure is to authorize the Department of Budget and Finance to issue special purpose revenue bonds for up to \$20 million to assist with the construction of the West Maui Hospital and Medical Center.

On December 16, 2022, the Maui County Council adopted Resolution 22-252, CD1, "URGING THE STATE LEGISLATURE AND THE GOVERNOR OF THE STATE OF HAWAII TO PROVIDE FOR THE ESTABLISHMENT OF THE PROPOSED WEST MAUI HOSPITAL AND MEDICAL CENTER" (attached). Therefore, I am providing this testimony on the Council's behalf.

The Maui County Council **supports** this measure for the following reasons:

1. This measure would provide the financial support necessary to continue the development of the West Maui Hospital and Medical Center, which will provide the region with its first acute care hospital.
2. An acute care hospital is needed because unprecedented projected rates of growth in residents and visitors will substantially increase healthcare demands for the already underserved West Maui population.
3. The West Maui Hospital and Medical Center will create significant job opportunities for local residents trained in health care.

For the foregoing reasons, the Maui County Council **supports** this measure.

ocs:proj:legis:23legis:23testimony:hb1255_paf23-007(21)_rem

Attachment

Resolution

No. 22-252, CD1

URGING THE STATE LEGISLATURE AND THE GOVERNOR OF THE STATE OF HAWAII TO PROVIDE FOR THE ESTABLISHMENT OF THE PROPOSED WEST MAUI HOSPITAL AND MEDICAL CENTER

WHEREAS, West Maui is home to several of Maui County's largest residential communities and renowned as one of Hawai'i's premier visitor destinations but has no acute care hospital or related medical campus; and

WHEREAS, West Maui has an estimated population of 31,410 residents, with approximately 55,000 daily visitors; and

WHEREAS, unprecedented projected rates of growth will substantially increase healthcare demands for an already underserved West Maui population; and

WHEREAS, West Maui's distance from Maui Memorial Medical Center and challenging traffic conditions along Honoapi'ilani Highway have often resulted in injured and sick residents and visitors having to endure ambulance drive times of more than an hour, posing life-threatening dangers; and

WHEREAS, Newport Hospital Corporation acquired a 14.99-acre site on Kaka'alaneo Drive in the Kaanapali 2020 Development for a proposed West Maui Hospital and Medical Center; and

WHEREAS, Newport Hospital Corporation has obtained the required off-site infrastructure, water and sewer entitlements, and critical certificate of need for the facility; and

WHEREAS, the current land value of the West Maui Hospital and Medical Center site is in excess of \$30 million, including sites for an acute care hospital, one or more medical clinics, and assisted living facility, which to date have all been privately funded by Newport Hospital Corporation; and

WHEREAS, Newport Hospital Corporation will provide a 5.085-acre portion of the site on a long-term land lease to West Maui Hospital Foundation, Inc., a nonprofit foundation that will build, own, and operate

Resolution No. 22-252, CD1

the West Maui Hospital and Medical Center with a 24-hour emergency room, operating rooms, radiology, lab, pharmacy, and inpatient and outpatient services; and

WHEREAS, to provide needed construction funding to the West Maui Hospital Foundation for the West Maui Hospital and Medical Center, potential private and public financing entities have requested governmental financial participation in the construction phase—specifically, hospital building plans and infrastructure costs—of this project; and

WHEREAS, the Council has been informed that construction of this project can proceed upon receiving \$7 million from the State of Hawai'i's Capital Improvement Funds; and

WHEREAS, establishment of the West Maui Hospital and Medical Center would further a number of Maui County General Plan policies and objectives, including:

- “In cooperation with the Federal and State governments and nonprofit agencies, broaden access to social and healthcare services . . .” (*Countywide Policy Plan, page 54.*);
- “. . . facilitate the establishment of new healthcare facilities . . .” (*Countywide Policy Plan, page 54.*); and
- “Support the immediate development of a critical access hospital in West Maui.” (*Maui Island Plan, page 6-59*); now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it urges the State Legislature and the Governor of the State of Hawai'i to provide funding for the establishment of the proposed West Maui Hospital and Medical Center; and
2. That certified copies of this Resolution be transmitted to West Maui Hospital Foundation, Inc.; the Governor of the State of Hawai'i; the Hawai'i State Senate President, the Hawai'i State Speaker of the House, Maui County's delegation to the State Legislature; and the Mayor of the County of Maui.

COUNCIL OF THE COUNTY OF MAUI

WAILUKU, HAWAII 96793

CERTIFICATION OF ADOPTION

It is **HEREBY CERTIFIED** that **RESOLUTION NO. 22-252, CD1**, was adopted by the Council of the County of Maui, State of Hawaii, on the 16th day of December, 2022, by the following vote:

MEMBERS	Alice L. LEE Chair	Keani N. W. RAWLINS-FERNANDEZ Vice-Chair	Gabriel JOHNSON	Natalie A. KAMA	Kelly T. KING	Michael J. MOLINA	Tamara A. M. PALTIN	Shane M. SINENCI	Yuki Lei K. SUGIMURA
ROLL CALL	Aye	Aye	Excused	Aye	Aye	Aye	Aye	Aye	Aye



COUNTY CLERK

HB-1255

Submitted on: 2/6/2023 11:52:13 AM

Testimony for HLT on 2/8/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Brian Hoyle	West Maui Hospital Foundation	Support	Remotely Via Zoom

Comments:

I am Brian Hoyle, President of the West Maui Hospital Foundation and with my company, Newport Hospital Corporation, I have been working with the Community of West Maui for the development of this much needed West Maui Hospital for over 15 years. This project is Certificate of Need Approved with a fully graded and development entitled site in Kaanapali and approvals/permits for all the required offsite infrastructure construction. We are now seeking the Hawai'i State Approval for this SPRB with a Maui County Financial Guaranty that is critical in our efforts to obtain the financing to design the Hospital, complete construction of the infrastructure, and provide equipment for the West Maui Hospital as part of the total financing to build this 5 bed Critical Access Hospital with a 24 hour Emergency Room, 3 Operating Rooms, Radiology, Lab, Pharmacy, and Outpatient Services.

All previous attempts to finance the Hospital construction have failed due to lack of financial support by the Hawai'i State or Maui County government that will now be provided by this State SPRB with a Maui County Financial Guaranty.

I thank you for your consideration and support of this SPRB that will make the West Maui Hospital a reality - finally!

Brian Hoyle

HB-1255

Submitted on: 2/6/2023 8:59:25 PM

Testimony for HLT on 2/8/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jo Anne J Winer	West Maui Hospital Foundation, Inc.	Support	Written Testimony Only

Comments:

Aloha Committee Chair and members

Thank you so much for providing the opportunity to support our West Maui Hospital SPRB.

My testimony today comes from a place that others may not understand. When I sat as Councilmember and also as Director of Transportation I always tried to find creative ways to accomplish the tasks put before me. I used the principle of looking forward 7 generations. How would my actions impact others in the future?

What I would ask you to do is use the same principle and creativity in helping this project become a reality. Please look at this facility as both a place of healing and a place of learning.

While on the Maui County Council we helped to fund programs that are not always viewed as within our scope of responsibility. We have funded education, health care, agriculture, transportation, water, etc. and this is no different.

Can you envision Lahaina’s health care career path students working as nursing aides or candy strippers shadowing physicians at our West Maui Health facility or one day becoming the very physicians that will mentor other students? Can you see locals benefitting from new well paying job opportunities outside the tourism industry? Can you see lau lapaau being integrated with other holistic healing practices? Can you envision kupuna being cared for in a setting that does not involve the trauma of a lengthy and harrowing ambulance ride to Central Maui?

You have the tools and you have the power to do whatever it takes to ensure that West Maui’s people have a future that will enable them to live out their lives here – near family and friends – rather than be forced to move because jobs and opportunities never presented themselves. What will West Maui look like in Seven Generations?

This project is on my bucket list – I have watched my loved ones and friends pass away with no other options for care. I have listened to the sirens wailing across the Pali for too long. I made a promise to my husband Larry and to my husband Jim, both gone now, that I would not give up. I

will not give up until this is done and even then I will do whatever it takes to insure that it survives – seven generations from now when people look back – they will remember what each of us did to help them live.

Jo Anne Johnson Winer

VP/Secretary for West Maui Hospital Foundation

HB-1255

Submitted on: 2/6/2023 8:49:05 AM

Testimony for HLT on 2/8/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

I support HB1255.

HB-1255

Submitted on: 2/6/2023 11:26:32 AM

Testimony for HLT on 2/8/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Tamara Paltin	Individual	Support	Written Testimony Only

Comments:

Aloha,

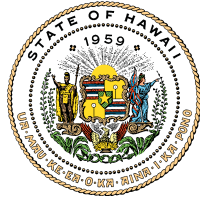
I am testifying in support of moving the West Maui Hospital issue forward. There are still some details to be worked out but I ask that you move this forward as West Maui has been waiting for a hospital for decades, we can become isolated if the road in and out is blocked due to car accident, fire, flooding, landslides etc. West Maui brings in a lot of revenue to the State and County, please help us to move this issue forward.

Mahalo,

Tamara

JOSH GREEN, M.D.

GOVERNOR



KEITH T. HAYASHI

SUPERINTENDENT

**STATE OF HAWAII
DEPARTMENT OF EDUCATION
LAHAINALUNA HIGH SCHOOL
980 LAHAINALUNA ROAD
LAHAINA, HAWAII 96761**

12/9/2022

Dear Maui County Council,

My name is Malia Shimomura and I am the Health Services Pathway instructor at Lahainaluna High School (LHS). My family has been here for over 100 years. I have been teaching at Lahainaluna High School for over 20 years and have seen most of my graduates continue their education into college and then onto various medical careers. While Maui has its share of challenges, the fact that those on the west side of the island *still* must travel 20-30 miles to the nearest hospital on a single road that is often held up with traffic is a great disappointment. This is my testimony in support of a West Maui hospital.

How many people have died on the way to the hospital from the west side? This is a question that I and my students ask ourselves all of the time. While I believe that this is the argument that will most likely be used to support the hospital, I will focus on how the high school would benefit from its development (and how our students have been robbed of its inspiration). When it comes to the reasons why this Hospital should not be developed, I have heard that it's because we cannot staff the facility. My argument will state that without the influence of a decent medical system and lack of a hospital, it is quite difficult to influence interest in both the field itself and reason to return home to serve as a healthcare professional.

LHS students have limited learning opportunities compared to students who attend high school near hospitals. Since Maui Health took over, Maui Memorial Hospital has not allowed field trips and closed the student volunteer program. Even when those opportunities were available, it was difficult to recruit interest due to the inconvenience of time and distance. However, WHEN that field trip (tour of the hospital) was available, we held onto quite a few freshmen initially curious about the field. Since, we often lose about 1/3 of original sign ups due to "easier" programs or programs that have stronger connections and work based learning opportunities in their field.

Students are influenced by what is around them. Our LHS students see a tourist-driven community. Hotels and restaurants provide the paychecks for many of their families. Most of my students are Filipino, and their families have nearly forced them to join my program because in the Philippines, nursing is considered a high-status career. But us teachers and families can only influence so much.

Case in point, this past week, the Academy of Hospitality and Tourism program took their students to the Hyatt. One of my juniors returned and said "I want to be a wedding planner". This is one of MANY stories alike. (Before the reader suggests that the reflection of teaching could be the reason why the tourism program does better than the medical program at LHS, I will inform the reader that that line has had a turnover of 5 different teachers since I've been there). Why shouldn't most LHS graduates stay in Lahaina and turn away the cost of college when the most appealing jobs are already offering them jobs while they are in high school and promising future management positions? And while we have small medical offices and clinics that have opened up doors to our students, you cannot compare a hotel to a small office or old clinic. You can with a hospital.

I have always been able to tread a full line of students. Over 90% of my graduates continue on to college and most of them stick out a career in healthcare. Some return home to work, most stay on the mainland for work because they prefer the hospital setting (and pay of course). Their families are here in Lahaina. If we could up our numbers and one day fill two, maybe three lines of students, this would increase the amount of health care professionals interested in giving back to their community that provided them the exposure and influence to join the field in the first place. The other school that is generating a multitude of healthcare specialists is King Kekaulike and Kamehameha Schools Maui. Their students are able to take advantage of Kula Hospital's open doors.

Finally, Our students are CPR/1st Aide, BLS, HIPAA certified. They are also now taking Nurse Aide courses through UHMC, Pharmacy Technician courses through CVS, and Phlebotomy courses through Clinical Labs of Hawaii. Entry level jobs, internships, and volunteer opportunities on their resumes would beef up their resumes in order to help them enter post-secondary medical programs. Of course most of the labs are on the other side of the island which has made the planning and execution quite exhausting for both teachers and students to make happen. With the implementation of a West Maui Hospital, we would love to be part of the process whether it's through senior project campaigns or evidence demonstrating the need for best learning opportunities. The work based learning opportunities would increase to levels that our kids deserve.

Let's move forward and build this hospital.

Sincerely,

Malia Shimomura and the entire Health Services Pathway at Lahainaluna High School

My name is Bob Shroder and I live in Lahaina. I have lived in Maui full time since August of 2020. This is our only house and our permanent home. I have no financial ties to the proposed West Maui Hospital.

Why am I supporting this bill? I am here because West Maui desperately needs emergency room services and improved diagnostic capabilities. How do I know that? Because I have spent my entire career reviewing and then trying to meet the healthcare needs of the communities where I lived and worked. I am a retired healthcare executive with over 40 years of experience. My last position, which I held for 14 years, was the President and Chief Executive Officer of a multi-hospital system in Northeast Ohio. I was responsible for 3 acute care hospitals, 3 long-term care facilities, multiple outpatient centers, a home care company and a hospice company. I had over 5000 employees and 130 physicians working for me. I know healthcare, and I know West Maui has deficiencies in healthcare services that this project being discussed today will help address. I have also been appointed this year by Governor Ige to serve on the Tri-Isle Healthcare Planning Council, and I have been asked to chair the West Maui Tax Payer's Association Healthcare Subcommittee.

I want to remind everyone that the need for a small hospital with an emergency room has already been determined and approved years ago by the State Planning Commission. The need for this type of facility has only grown since it was approved. I personally know of people who have suffered harm because of the lack of emergency and diagnostic services in West Maui, and I've heard many other anecdotal stories.

On a perfect day, it is a 48-minute drive time to an emergency room from my house. That is also after the ambulance gets to my house, which on that same perfect day would be 12 minutes coming from Napilli. If both West Maui ambulances are already engaged, it would be 30 minutes from Kihei. Obviously, people who live in Napilli, Kahana, or Kapalua would have even longer drives. On a not so perfect day, it could be and has been over 2 hours. It happens not infrequently due to fires, accidents, or just plain road work. Any healthcare professional knows that the longer time you are from receiving emergency services, the morbidity and mortality rates go up. For conditions like heart attacks, strokes, aneurysms and traumatic injuries, the mortality rates can be up to 50% higher if you are more than 30 minutes away from emergency services, compared to being within the 30-minute window. How anyone can say that this makes no medical sense is baffling to me, and I personally know Maui doctors who completely support this project. I will tell you that the vast majority of the West Maui citizens see an emergency room on our side of the island as not only extremely desirable but essential.

Having a new modern facility on West Maui will help recruit healthcare professionals to the island. People want to work in new modern environments. Recruitment of professionals will be good for the entire island, and in my opinion, even be good for the organizations that fear the competition that this facility could bring. Another emergency facility would also help alleviate the overcrowding of existing facilities, which we have seen again in the last few weeks.

I want to thank the House Committee for considering this bill to help get the much-needed project financed. I am confident that a few years from now, we will all be proud of what we did to help build this hospital. Thank you.

HB-1255

Submitted on: 2/6/2023 8:36:36 PM

Testimony for HLT on 2/8/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kalea Dean	Individual	Support	Written Testimony Only

Comments:

Having a hospital on the west side of Maui is in the best interest of not only west Maui residents and visitors but Lanai and Molokai residents and visitors. Please make this a reality.

Mahalo,

Kalea Dean

HB-1255

Submitted on: 2/7/2023 6:12:15 AM

Testimony for HLT on 2/8/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Judith Hougaz	Individual	Support	Written Testimony Only

Comments:

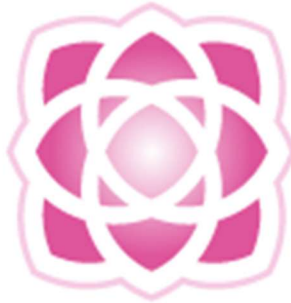
Aloha,

Thank you for reading our testimony in support of the West Maui hospital.

West Maui has the population to support a hospital. And, as the community expands and more people call West Maui home, the greater the need for a hospital to be on the West Side.

Mahalo,

Judith and Desi Hougaz



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON
HEALTH & HOMELESSNESS
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 329
WEDNESDAY, FEBRUARY 8, 2023 AT 8:30 A.M.

To The Honorable Della Au Belatti, Chair
The Honorable Jenna Takenouchi, Vice Chair
Members of the committee on Health & Homeless

SUPPORT FOR HB1255 RELATING TO SPECIAL PURPOSE REVENUE BONDS

The Maui Chamber of Commerce **supports HB1255** which authorizes the issuance of special purpose revenue bonds to assist West Maui Hospital Foundation, Inc. in the construction of West Maui Hospital and Medical Center in the County of Maui, including any necessary infrastructure. Also, the measure requires the County of Maui to serve as guarantor of any debt service on the special purpose revenue bonds.

The population of residents and visitors on the west side of Maui has greatly increased. With the increased population and traffic, along with the closing of Honoapi'ilani highway due to flooding, fire or vehicle wreck, additional medical services on the Westside are greatly needed.

The West Maui Hospital is a viable alternative to allow medical services be performed in a timely manner. The hospital is in need of funding from all stakeholders. This bill will add another avenue for that funding.

For these reasons we **support HB1255**.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

HB-1255

Submitted on: 2/8/2023 7:26:12 AM

Testimony for HLT on 2/8/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
douglas vant groenewout	Individual	Support	Written Testimony Only

Comments:

i support this bill fully. if this HB is not supported, words like negligence become relative.

please hear me that I transport patients and patients family (locals and visitors) that are shocked to learn that a population base such as maui has a single hospital..