



COMMITTEE ON HEALTH  
Senator Jarrett Keohokalole, Chair  
Senator Rosalyn Baker, Vice Chair

NOTICE OF HEARING

DATE: Friday, March 18, 2022  
TIME: 1:30 p.m.  
PLACE: Conference Room 225 and Videoconference

**Testimony in Support of HB1638 HD2, with a request for an Amendment**

RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION.

Appropriates funds to conduct a site assessment to identify and evaluate viable locations for a new hospital site in North Kona on the island of Hawaii.

**Jim Lee, Regional CEO, West Hawaii Region, HHSC**

Thank you for the opportunity to provide testimony in **Support of HB1638, HD2** that appropriates funds to conduct a site assessment to identify and evaluate viable locations for a new hospital site in North Kona on the island of Hawaii – providing this measure does not affect our other budgetary requests. This funding request supports Kona Community Hospital’s mission to provide and enhance comprehensive healthcare services for our West Hawaii community including North Kona, South Kona, and portions of Ka`u.

Kona Community Hospital provides outpatient, emergency and acute care services to a diverse, multicultural population. Our population is currently growing faster than North and East Hawaii. In 2018, population growth in West Hawaii was projected to increase by 6.1% by 2023. Reflecting this growth, inpatient and emergency department visits among West Hawaii residents have been increasing.

Kona Community Hospital’s current facility is nearly 50 years old. The hospital’s aging infrastructure has major deficiencies, with many critical systems in urgent need of repair and renovation. We struggle almost daily with the very real potential that one system failure or another could shut down hospital operations. With these realities in mind, the West Hawaii Region Board approved a 6-year, phased in master facility plan to address these deficiencies. This master facility plan will enable Kona community Hospital to



prioritize the needs of our current facility and ensure that we are able to provide continuous, consistent, and quality healthcare services to our West Hawaii community.

The intent to begin planning potential hospital sites is greatly appreciated and is aligned with our long-standing goals for West Hawaii. However, we believe that a hospital needs assessment, including related services prior to a site assessment would provide necessary insight into inpatient acute and skilled nursing care, emergency and ancillary services that will be needed by a changing demographic.

**Therefore, we respectfully request that this measure be revised to include a hospital needs assessment in addition to the requested site assessment. Further, after conducting comparison inquiries, we believe that appropriation of \$500,000 would be sufficient to fund both the hospital needs assessment and the site assessment.**

Again, mahalo for the opportunity to express my **Support of HB1638 HD2** to conduct a site assessment provided it does not affect our budgetary requests for the 2022 legislative session.

Aloha,

Jim Lee, CEO  
West Hawaii Region  
Kona Community Hospital  
Kohala Hospital  
HHSC

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
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 SENATE COMMITTEE ON HEALTH  
ON  
HOUSE BILL NO. 1638, H.D. 2

**March 18, 2022**  
**1:30 p.m.**  
**Room 225 and Videoconference**

**MAKING AN APPROPRIATION FOR A KONA HOSPITAL SITE ASSESSMENT**

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 1638, H.D. 2, appropriates an unspecified amount of general funds for FY 23 to the Hawai'i Health Systems Corporation to conduct a site assessment to identify and evaluate viable locations for a new hospital site in North Kona on the island of Hawai'i.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

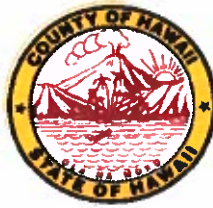
Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

**Mitchell D. Roth**  
Mayor



**Lee E. Lord**  
Managing Director

**Robert H. Command**  
Deputy Managing Director

**County of Hawai'i**  
**Office of the Mayor**

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March 17, 2022

Chair, Sen, Jarrett Keohokalole  
Vice-Chair, Sen. Rosalyn H. Baker  
Senate Committee on Health  
Hawai'i State Legislature  
415 S. Beretania Street  
Honolulu, Hawai'i 96813

**Subject: H.B. 1638 HD2- RELATING TO HEALTH; MAKING AN APPROPRIATION FOR A KONA HOSPITAL SITE ASSESSMENT**  
**Hearing Date: Friday, March 18, 2022 at 1:30 p.m.**  
**Time/Place of Hearing: Via Video Conference**  
**Conference Room**

Aloha Chair Keohokalole, Vice Chair Baker, and committee members;

On behalf of the County of Hawai'i, I am expressing my unequivocal support for HB1638 HD2 for fiscal year 2022-2023, to fund a site assessment for a new hospital in North Kona.

Enhancing the health and wellbeing of our entire community is a priority for my administration and facilitating access to quality medical services is central to that commitment. Presently, the only available acute care in the area is provided through an aging hospital located 20-30 minutes away from where the population growth has been in Kona over the past three decades.

H.B. 1638 HD2 provides funding for a significant first step in addressing this critical need in West Hawai'i. Your consideration and support for this important bill is greatly appreciated.

Mahalo,

Mitchell D. Roth  
Mayor  
County of Hawai'i

Tuesday, March 15, 2022

TO: The Honorable Jarrett Keohokalole, Chair  
Senate Committee on Health

The Honorable Rosalyn H. Baker, Vice Chair  
Senate Committee on Health

FROM: Katelyn Shirai

Support for HB1638 HD2, RELATING TO MAKING AN APPROPRIATION FOR A KONA HOSPITAL SITE ASSESSMENT

I appreciate the opportunity to provide testimony on HB1638 HD2, which appropriates funds to conduct a site assessment to identify and evaluate viable locations for a new hospital site in North Kona on the island of Hawaii. My name is Katelyn Shirai, a medical student at the John A. Burns School of Medicine (JABSOM), and I strongly support this bill.

With the growing population in West Hawaii, it is imperative that medical facilities are modernized and expanded to provide much needed health care services to meet the demand of its surrounding community. This measure may also help to recruit and retain health care professionals, helping to close the critical physician shortage on the island of Hawaii.

Born and raised in Hilo, I have experienced first-hand, the effects of the state-wide physician shortage, as well as the lack of services and specialties in health care. As a student at JABSOM, we have learned so much about the health care disparities that so many people in our community face. This measure is a significant first step in addressing health care disparities and promoting health equity.

Thank you for the opportunity to express my strong support of this measure.

Sincerely,

A handwritten signature in black ink that reads "Katelyn Shirai". The signature is written in a cursive style with a large, stylized initial "K".

Katelyn Shirai

**HB-1638-HD-2**

Submitted on: 3/16/2022 10:19:39 AM

Testimony for HTH on 3/18/2022 1:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

West Hawaii badly needs a new hospital. Please add a sum to this appropriation and move the effective date forward to 2022.

March 18, 2022

The Senate  
The Thirty-First Legislature  
Regular Session of 2022  
Committee on Health  
Senator Jarrett Keohokalole, Chair  
Senator Rosalyn H. Baker, Vice Chair

Re: Item HB 1638, HD2  
HSCR981-22

**A Bill making an Appropriation for a Kona Hospital Site Assessment**

Honorable Jarrett Keohokalole, Rosalyn H. Baker, and members of the Committee on Health,

I submit this written testimony in support of House Bill 1638 HD2 requesting an **Appropriation for a New Kona Hospital Site Assessment**. Why is this necessary in this place at this time?

Hospitals are critically important civic buildings and play a central role in the health and welfare of a community. Hospitals are places where the greatest human joys are often realized through childbirth for example, or successful treatments for disease and healing from traumatic injuries. Hospitals are also places that remind us how precious life is and offer places for caring and reflection when we have family and friends in need of emergency or acute care. A thoughtfully designed, well-located hospital binds us all together in ways no other civic buildings or public infrastructure can.

I am in complete agreement with the findings and recommendations of HB 1638, HD1 passed by the House of Representatives, amended as HD2 before you presently. The aging Kona Community Hospital in Kealahou has operated well past its useful life expectancy and can no longer serve the needs of the west side of the island population effectively. Consider:

- Kona Community Hospital is simply located too far away from existing and planned population centers. Most of the growth on the west side is north, not south. A new facility should be located closer to, and more central to where the people are, and will be.
- Kona Community Hospital is very difficult to access via older 2-lane roadways subject to multiple constriction points and chronic traffic congestion. There is currently no short term plan to further improve Route



11 to allow better traffic flow, reduce congestion, and speed up travel time for emergency vehicles.

- Kona Community Hospital is simply located too far away from Kona's Keahole Airport, the only major airport on the west side. In times of acute stress for heart attack or stroke victims for example, time is of the essence. While the most comprehensive acute care facilities may never be fully justified or realized on Hawaii Island, access to rapid air transport to other, better facilities on neighboring islands is key to preserving life.
- A well-located replacement for Kona Community Hospital will help reduce costs of healthcare delivery, provide better convenience and be more responsive to west side consumers, improve safety and quality of outcomes, promote healing, advance research and discovery in the medical field, and will no doubt meet operational goals better now, and into the future.
- The potential for expansion or modernization of Kona Community Hospital in its current location is constrained due to poor access to, or limited capacities of existing utilities and infrastructure such as power and sewage treatment.
- The existing Kona Community Hospital physical plant in its aging condition and lacking the most modern technologies and modes of treatment does not have the appeal to attract and retain the highly qualified staff and healthcare specialists we all want. A well-located replacement for Kona Community Hospital would go a long ways to solving this nagging issue.
- Protecting the health and welfare of the public is government's top priority. Our government owes it to the public to take action to implement the vision necessary in providing public accommodation that includes reasonable access to modern healthcare facilities, the best technologies, and the most highly trained healthcare professionals available. These are currently not optimized in Kona, to the detriment of the population.

While a great deal of analysis will still be required to determine the best possible development profile for a new Kona Hospital, including finding the best location, I strongly urge you to take this opportunity now and approve the appropriation for a study to at least legitimize the process of locating a new Kona Hospital facility. We owe it to our Kupuna, our Keiki, our long and short-term residents, our tourists, and everyone who passes through the island.

Further, I strongly support the request made by Jim Lee, CEO West Hawaii Region HHSC, in written testimony to the last House hearing on February 28, that HB1638 be revised/amended to include a **hospital needs assessment in addition to** the requested site location study. It just makes common sense to evaluate and determine needs and the full range of development objectives prior to making a site selection.

As a design professional with many years in the planning and development of acute healthcare facilities, I cannot tell you exactly where to place a new Kona Hospital right now to have the most benefit, but I do know the current location and physical plant in Kealahou no longer serves the needs of the west side community very well. *It is well past time to address this serious problem.*

Mahalo for your personal attention to this important matter and please support House Bill 1638 with the suggested amendment.

A handwritten signature in blue ink that reads "Jon Luft". The signature is written in a cursive, slightly stylized font.

Jon Luft  
73-4540 Iki Place  
Kailua-Kona, HI 96740  
619 921-3419

March 17, 2022

The Honorable Jarrett Keohokalole, Chair  
Senate Committee on Health

The Honorable Rosalyn H. Baker, Vice Chair  
Senate Committee on Health

Dear the Honorable Jarrett Keohokalole and the Honorable Rosalyn H. Baker,

I write to respectfully provide my support for HB1638, RELATING TO MAKING AN APPROPRIATION FOR A KONA HOSPITAL SITE ASSESSMENT. My name is Tiffany Kurozawa and I am a medical student at the John A. Burns School of Medicine who was born and raised in Kailua-Kona.

The Kona community faces challenges when accessing necessary medical care. In addition to traffic congestion, making the current hospital not easily accessible, the facility is in need of the capacity for modernization as medical advances arise. This is not currently supported by the available land and aging infrastructure of the existing facility. Not only does this make it difficult to recruit physicians and other healthcare professionals, but poses difficulty in retaining them as well. Hawaii county already faces the worst physician shortage of all islands in the state.

As the population progressively grows towards the north of the district, it becomes necessary for the health care services to adapt to that change. A hospital site near the airport, will provide greater access with the existing expansion of Queen Kaahumanu Highway and will be positioned within the more densely populated area. Additionally, this location makes the hospital more easily accessible for physicians, patients, and their families to travel interisland to support the lack of medically specialized care within the community. On the educational level, a modern facility will provide nursing, physician assistant, pharmacy, and medical students a greater opportunity to expand their learning. This will increase the potential to recruit and retain health professionals in the long-run. HB1638 provides the first step in addressing the critical healthcare needs of the community.

Thank you for the opportunity to express my strong support and for your consideration of this matter.

Respectfully,

A handwritten signature in black ink, appearing to read 'Tiffany Kurozawa', with a long horizontal flourish extending to the right.

Tiffany Kurozawa  
M.D. Candidate, Class of 2025