

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 HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES, &  
HOMELESSNESS  
ON  
HOUSE BILL NO. 1638

**February 3, 2022**  
**9:00 a.m.**  
**Room 329 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 appropriates \$1,000,000 in 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.

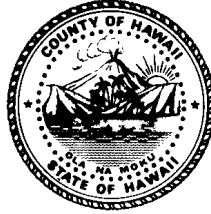
Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- 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.

**Dr. Holeka Goro Inaba**  
Council Member, District 8, N. Kona



Office: (808) 323-4280  
Email: holeka.inaba@hawaiicounty.gov

## HAWAI'I COUNTY COUNCIL

County of Hawai'i  
West Hawai'i Civic Center, Bldg. A  
74-5044 Ane Keohokalole Hwy.  
Kailua-Kona, Hawai'i 96740

February 2, 2022

Committee on Health, Human Services and Homelessness  
Representative Ryan I Yamane, Chair  
Representative Adrian K. Tam, Vice Chair

Re: Testimony in **Support** of HB1638, MAKING AN APPROPRIATION FOR A  
KONA HOSPITAL SITE ASSESSMENT.  
Videoconference Hearing: February 3, 2022 at 9:00 a.m.

Dear Chair, Vice Chair, and Members of the above referenced Committee,

On behalf of myself and constituents of Council District 8 in North Kona, I would like to express our **support** for the above referenced bill, and submit a brief testimony as follows:

We support the appropriation of moneys to the Hawai'i Health Systems Corporation to conduct site assessments and to identify and evaluate viable locations for a new hospital site in North Kona on Hawai'i Island.

Kona Hospital was built approximately fifty years ago, and the hospital's location and need for modernization makes it difficult to recruit new doctors and other medical personnel – and retain current medical staff, which also exacerbates the physician and healthcare worker shortage that is experienced.

We strongly **support** the passing of HB1638.

Sincerely,

A handwritten signature in black ink, appearing to read "Holeka Goro Inaba".

---

DR. HOLEKA GORO INABA, Council Member  
District 8, North Kona

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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(808) 323-4444 • Fax (808) 323-4440

February 2, 2022

Chair, Rep. Ryan I. Yamane  
Vice-Chair, Adrian K. Tam  
House Committee on health, Human Services and Homelessness  
Hawai'i State Legislature  
415 S. Beretania Street  
Honolulu, Hawai'i 96813

**Subject: H.B. 1638 RELATING TO HEALTH, MAKING AN APPROPRIATION TO THE HAWAII SYSTEMS TO CONDUCT A SITE ASSESSMENT FOR A NEW HOSPITAL IN NORTH KONA**  
**Hearing Date: Thursday, February 3, 2022 at 9:00 a.m.**  
**Time/Place of Hearing: Via Video Conference**  
**Conference Room 329**

Aloha Chair Yamane, Vice Chair Tam, and committee members;

On behalf of the County of Hawai'i, I am expressing my unequivocal support for HB 1638 for fiscal year 2022-2023 to fund a site assessment for a new hospital in North Kona.

Enhancing the health and well being 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.

HB 1638 provides funding for a significant first step in addressing this critical need in West Hawai'i.

Your sincerest consideration is greatly appreciated. Please feel free to contact me for any additional information.

Mahalo,

Mitchell D. Roth  
Mayor  
County of Hawai'i

  
**KUAKINI HAWAIIAN CIVIC CLUB OF KONA**  
*Kealakekua, Hawai'i*  
Legislative Testimony

**HB 1638**  
**MAKING APPROPRIATION FOR A KONA HOSPITAL SITE ASSESSMENT.**  
House Committee on Health, Human Services, & Homelessness  
Thursday, February 03, 2022, 9:00 a.m., Videoconference

Aloha e Chair Yamane, Vice-Chair Tam, and members of the Health, Human Services, & Homelessness Committee,

The Kuakini Hawaiian Civic Club of Kona **STRONGLY SUPPORTS HB1638** allows appropriation for a Kona hospital site assessment. We recognize and support the need for adequate health facilities in West Hawai'i that will serve our community's growing population. Currently, one hospital is located in South Kona, serving North and South Kona; however, the people and urban development are increasing in North Kona. In addition, the increase in housing demands near urbanized areas and where employment is readily available in North Kona creates a need to provide accessible and adequate health care facilities. Furthermore, infrastructure at its current location is capacitated for expansion, and access is via a two-lane highway that suffers traffic congestions making it difficult for emergency vehicles.

We urge this committee to **PASS HB1638** with the appropriate funding sources to carry out this assessment's function(s).

Mahalo nui,



Shane Palacat-Nelsen  
President

*The Kuakini Hawaiian Civic Club of Kona is one of over sixty clubs chartered by the Association of Hawaiian Civic Clubs.*



COMMITTEE ON HEALTH, HUMAN SERVICES, & HOMELESSNESS

Rep. Ryan I. Yamane, Chair  
Rep. Adrian K. Tam, Vice Chair

NOTICE OF HEARING

DATE: Thursday, February 3, 2022  
TIME: 9:00AM  
PLACE: Conference Room 329 via Videoconference

**Testimony in Support of HB1638**

**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** 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 Kau.

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 community needs assessment prior to a site assessment would provide necessary insight into outpatient, emergency, and acute care services that will be needed by a changing demographic.

Therefore, we respectfully request that this measure be revised to include a community needs assessment in addition to the requested site assessment.

Again, mahalo for the opportunity to express my **Support of HB1638** 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

**HB-1638**

Submitted on: 2/1/2022 10:06:14 AM

Testimony for HHH on 2/3/2022 9:00:00 AM

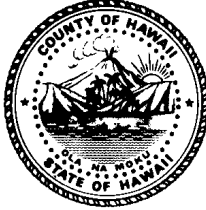
<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Douglas Perrine	Individual	Support	No

Comments:

Kona has been in need of a new hospital for the last 20 years. Passage of HB1638 will hopefully get the ball moving toward building a modern facility to replace the decrepit and inadequate structure currently in use.



REBECCA VILLEGAS  
Council Member  
District 7, Central Kona



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## HAWAI‘I COUNTY COUNCIL

*West Hawai‘i Civic Center, Bldg. A  
74-5044 Ane Keohokalole Hwy.  
Kailua-Kona, Hawai‘i 96740*

February 2, 2022

TESTIMONY OF REBECCA VILLEGAS  
COUNCIL MEMBER, HAWAI‘I COUNTY COUNCIL  
ON HB 1638, RELATING TO MAKING AN APPROPRIATION FOR A KONA HOSPITAL  
SITE ASSESSMENT

Committee on Health, Human Services, and Homelessness  
Committee on Consumer Protection and Commerce  
Committee on Finance  
Thursday, February 2, 2022  
9:00 a.m.  
Conference Room 323 Via Videoconference

Aloha Chair Yamane, Chair Johanson, Chair Luke, and Members of the Committees:

I thank you for the opportunity to testify in support of HB 1638, relating to making an appropriation for a Kona Hospital Site Assessment. My testimony is submitted in my individual capacity as a member of the Hawai‘i County Council and Chair of the Hawai‘i County Council Climate Resilience and Natural Resource Management Committee.

The purpose of this measure appropriates moneys to the Hawaii 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 Hawaii.

Hawaii is known to be one of the safest places in the world. The 2020 Census shows that for the first time Hawaii Island has over 200,000 residents, gaining over 15,000 people in this 10 year period. These numbers were assessed before the pandemic housing buying frenzy we have heard about and felt in our communities.

The distance from Kona Pier to Kona Community Hospital is 10.5 miles, that’s a 20 minute trip that could be the difference between life and death.

The stretch of highway just north of Kona International Airport has the highest number of fatality crashes on our island. In an emergency going south will take over 30 minutes (20 miles) to Kona Community Hospital, and if you go north it will take you over 25 minutes (40 miles) to get to North Hawaii Community Health Center. These routes are on Queen Ka’ahumanu, our single lane highway that has little or no shoulder in some areas.

On January 21<sup>st</sup> there was a fire in Kealahou. Traffic was so backed up and Fire and Rescue could not use the Mauka route on Queen Kaahumanu Highway to get to the fire, they had to go all the way Makai to Ali'i Drive past the scene then backtrack to get to the scene. In cases of emergencies, our limited facilities and accessibilities could add stress and time to already dire situations for our community members.

For the reasons stated above I urge the Committee on Health, Human Services, and Homelessness; the Committee on Consumer Protection and Commerce; and the Committee on Finance to support this measure and make an appropriation for a Kona Hospital Site Assessment for North Kona. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.



Rebecca Villegas  
Council Member, Hawai'i County Council



COMMITTEE ON HEALTH, HUMAN SERVICES, & HOMELESSNESS

Rep. Ryan I. Yamane, Chair  
Rep. Adrian K. Tam, Vice Chair

NOTICE OF HEARING

DATE: Thursday, February 3, 2022  
TIME: 9:00AM  
PLACE: Conference Room 329 via Videoconference

**Testimony in Support of HB1638**

**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**

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Therefore, we respectfully request that this measure be revised to include a community needs assessment in addition to the requested site assessment.

Again, mahalo for the opportunity to express my **Support of HB1638** 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

**HB-1638**

Submitted on: 2/2/2022 9:32:13 AM

Testimony for HHH on 2/3/2022 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Taylor Rodamer	Individual	Support	No

Comments:

We really need a new hospital in Kona, I think the pandemic really exacerbated our need for a new health care facility. Hopefully this is the first step toward making that happen! Mahalo for your time and efforts on this bill.

**HB-1638**

Submitted on: 2/2/2022 7:12:45 PM

Testimony for HHH on 2/3/2022 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Theresa Holderread	Individual	Support	No

Comments:

I am 110% in favor of appropriating funds for a Kona Hospital site assessment.

It is totally unacceptable that we do not have a state of the art facility, or to be honest, just a good hospital. The best healthcare on the island is in Waimea and the best healthcare in Hawaii is on Oahu. The people of Kona and this island deserve better. For an area the size of Kona we should have about 200 beds available. We aren't even close to that. It's pretty sad when you decide you can't live here anymore because you can't get the healthcare you need. We shouldn't have to fly to Oahu to see a doctor for care that should be readily accessible in our own community. We aren't a third world country but when it comes to healthcare it feels like it. Our hospital as it is is being run more like an urgent care and the urgent cares are being run like covid testing sites. The county owes it to the people of Kona to provide better healthcare than what we currently have access to.

**HB-1638**

Submitted on: 2/3/2022 6:04:53 AM

Testimony for HHH on 2/3/2022 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Shannon Rudolph	Individual	Support	No

Comments:

Support