



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-FIRST LEGISLATURE, 2022**

ON THE FOLLOWING MEASURE:

S.B. NO. 2666, RELATING TO THE WAIANAЕ COAST COMPREHENSIVE HEALTH CENTER EMERGENCY DEPARTMENT.

BEFORE THE:

SENATE COMMITTEE ON HEALTH

DATE: Monday, February 7, 2022 **TIME:** 1:00 p.m.

LOCATION: State Capitol, Via Videoconference

TESTIFIER(S): Holly T. Shikada, Attorney General, or
Angela A. Tokuda, Deputy Attorney General

Chair Keohokalole and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill proposes to appropriate \$1,400,000 for fiscal year 2022-2023 to the Department of Health to provide funding to the Waianae Coast Comprehensive Health Center (WCCHC) for the continuation of its twenty-four-hour, year-round emergency department services to residents of the Waianae coast.

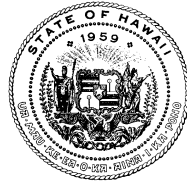
While we appreciate the intent of this bill, as currently written the means for the State to expend the funds might violate article VII, section 4, of the Hawaii Constitution. That section provides, in part, that “[n]o grant of public money or property shall be made except pursuant to standards provided by law.” Chapter 42F, Hawaii Revised Statutes (HRS), prescribes the standards for a grant, award, or appropriation of state funds to a specified recipient. We do not know whether these standards have been met.

We recommend that, if WCCHC is eligible pursuant to the standards of chapter 42F, HRS, the Legislature could appropriate the funds as a grant to WCCHC to achieve the goals intended by this bill. This can be accomplished by making the following changes in section 2, page 7, lines 6-10:

There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,400,000 or so much thereof as may be necessary for fiscal year 2022-2023 as a grant pursuant to chapter 42F, Hawaii Revised Statutes to the Waianae Coast Comprehensive Health Center for operation of its twenty-four-hour emergency department.

If the Committee decides to proceed with this bill, and if the WCCHC meets the requirements of chapter 42F, HRS, then we respectfully recommend that the Committee amend the funding provision to meet the requirements of article VII, section 4, of the Hawaii State Constitution. If the WCCHC does not meet the requirements of chapter 42F, HRS, then it might be possible for the State to provide funds for WCCHC's emergency department services through the procurement process or possibly through an exemption from procurement under section 3-141-503, Hawaii Administrative Rules.

Thank you for the opportunity to testify.



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

Testimony COMMENTING on S.B. 2666
RELATING TO WAIANAE COAST COMPREHENSIVE HEALTH CENTER
EMERGENCY ROOM.

SENATOR JARRETT KEOHOKALOPE, CHAIR
SENATE COMMITTEE ON HEALTH

Hearing Date: February 7, 2022

Room Number: Videoconference

1 **Fiscal Implications:** The proposed measure appropriates funds out of the general revenues of
2 the State for fiscal year 2022-2023 to the Waianae Coast Comprehensive Health Center
3 (WCCHC) for operating costs for its twenty-four-hour emergency department services. The
4 Department requests that passage of any appropriations in this measure does not replace or
5 adversely impact priorities indicated in our Executive Budget.

6 **Department Testimony:** Pursuant to §245-15(6)(C), Hawaii Revised Statutes (HRS), a portion
7 of the cigarette tax revenues are deposited into the Community Health Center Special Fund (HRS
8 §321-1.65) and the Department administers those funds. The Community Health Centers Special
9 Fund currently funds: 1) Purchase of Services (POS) contracts with 13 Federally Qualified
10 Health Centers (FQHC)—including WCCHC—and one Federally Qualified Health Center Look
11 Alike to provide medical (perinatal, pediatric, adult primary care) and support services,
12 behavioral health care, dental treatment, and pharmaceutical services to uninsured and under-
13 insured individuals that are at or below 250% of the federal poverty level; 2) A single POS
14 contract with Hana Health for the provision of comprehensive primary care services and urgent
15 care (24/7) services; and 3) An additional POS contract with WCCHC to provide emergency
16 department services, diagnostic laboratory and radiology services, as well as other services
17 related to the provision of emergency department services at their facility between the hours of
18 12:00a.m. and 8:00a.m., 365 days a year.

19 Thank you for the opportunity to testify on this bill.

20 **Offered Amendments:** None



**WAIANAE COAST
COMPREHENSIVE
HEALTH CENTER**
www.wcchc.com

COMMITTEE ON HEALTH

Senator Jarrett Keohokalole, Chair
Senator Rosalyn H. Baker, Vice Chair

Monday, February 7, 2022; 1:00PM

Testimony in Support of SB2666: Relating to the Waianae Coast Comprehensive Health Center Emergency Department

Submitted By: Richard Bettini, President & CEO, Waianae Coast Comprehensive Health Center

The Waianae Coast Comprehensive Health Center (Health Center) is requesting an increase in support of its 24-hour emergency medical services department. While the Health Center's Emergency Services is an essential part of Hawaii's emergency medical and disaster response, the Center has not received an increase in its state subsidy funding in 13 years.

While the Health Center is able to sustain emergency medical care during day and evening hours, covering the cost of overnight (midnight to 8 am) services is problematic. Unlike all emergency departments located at State and private hospitals, the Health Center is unable to bill Medicaid or Medicare an "ER facility fee" and can only charge these funding sources as a primary care outpatient visit. Most of the Health Center's Emergency Services patients are in these payment categories or are uninsured.

An after-hours subsidy will allow the Health Center to be available for late night and early morning emergencies as well as serving as an important component of Hawaii's disaster response. Over the last 12 years the Health Center has upgraded all aspects of its emergency capability yet continues to absorb increasing losses. During the COVID-19 epidemic, the Center's ER demonstrated an extraordinary response for the Waianae community that had one of the highest, if not the highest, of COVID-19 positive residents.

The Health Center has been receiving \$1,468,000 annually in State support since 2008 for its Emergency Services from midnight to 8:00am. This funding level covers approximately one-third of the emergency department shortfall. The proposed request is for the Health Center and the State to cover the remaining deficit equally.

Our request is to add \$1,400,000 to the current \$1,468,000 subsidy for fiscal year 2022-2023. The Health Center intends to fundraise and make contractual adjustments to offset the remaining deficit.

The Waianae community appreciates continuing support for this life saving service. Mahalo.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

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
SENATE BILL NO. 2666

**February 7, 2022
1:00 p.m.
Via Videoconference**

**RELATING TO THE WAIANAE COAST COMPREHENSIVE HEALTH CENTER
EMERGENCY DEPARTMENT**

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 2666.

S.B. No. 2666 appropriates \$1,400,000 in general funds in FY 23 to the Waianae Coast Comprehensive Health Center, through the Department of Health, for operation of its 24-hour emergency department.

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.



**Testimony to the Senate Committee on Health
Monday, February 7, 2022; 1:00 p.m.
Via Videoconference**

RE: SENATE BILL NO. 2666, RELATING TO THE WAIANAE COAST COMPREHENSIVE HEALTH CENTER EMERGENCY DEPARTMENT.

Chair Keohokalole, Vice Chair Baker, 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. 2666.

By way of background, the HPCA represents Hawaii's 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.

This bill, as received by your Committee, would appropriate \$1,400,000 in general funds for fiscal year 2022-2023, to the Waianae Coast Comprehensive Health Center (WCCHC) for operation of its twenty-four-hour emergency department.

As a member of the HPCA, WCCHC plays a critical role in the provision of essential emergency medical services on the Leeward Coast of the Island of Oahu. As brought to the Legislature's attention last year with House Bill No. 59, House Draft 1 -- that the repeal of the Community Health Center Special Fund would have led to the partial closure of the WCCHC emergency department -- it is vital that all steps be taken to ensure the continual operation of this essential facility.

The HPCA urges your favorable consideration.

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.



LATE

February 7, 2022

To: The Honorable Jarrett Keohokalole, Chair,
The Honorable Rosalyn H. Baker, Vice Chair, and
Members of the Senate Committee on Health

Re: **SB 2666 – RELATING TO THE WAIANAЕ COAST COMPREHENSIVE
HEALTH CENTER EMERGENCY DEPARTMENT**

Hearing: Monday, February 7, 2022, 1:00 p.m., Via Videoconference

Position: **Strong support**

Aloha Chair Keohokalole, Vice Chair Baker, and members of the Senate Committees on Health:

The Health Committee of the Democratic Party of Hawai'i strongly supports SB 2666. This measure would appropriate funds to the Waianae Coast Comprehensive Health Center for operation of its twenty-four-hour emergency department.

The Health Committee of the Democratic Party of Hawai'i strongly supports this bill as it will provide operating funds granted through the Department of Health and Human Services for a very vital health care service crucial to the federally designated and medically underserved Waianae coast.

Increased homelessness, economic conditions, and behavioral health conditions contribute to the increased demand for emergency medical services on the Waianae coast, but this demand has not been matched by an increase in State funding.

We humbly request that this measure be passed. Thank you very much for the opportunity to testify on this very important bill.

Respectfully yours,

/s/ *Melodie R. Aduja*

Melodie R. Aduja

Chair, Health Committee

Democratic Party of Hawai'i

Contact: legislativepriorities@gmail.com (808) 258-8889