

STATE OF HAWAII
DEPARTMENT OF HEALTH
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Testimony COMMENTING on H.B. 406, H.D. 2
RELATING TO HEALTH

SENATOR JOY A. SAN BUENAVENTURA, CHAIR
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

SENATOR GLENN WAKAI, CHAIR
SENATE COMMITTEE ON PUBLIC SAFETY AND INTERGOVERNMENTAL AND MILITARY AFFAIRS

Hearing Date, Time and Room Number: Wednesday March 22, 2023, 1:00 p.m., Rm. 225/VIDEO

1 **Fiscal Implications:** Undetermined.

2 **Department Position:** The Department of Health (“Department”) appreciates the intent of this
3 measure and offers comments.

4 **Department Testimony:** The Behavioral Health Administration (BHA) provides the following
5 testimony on behalf of the Department.

6 This measure requires the Department and the Oahu Regional Health Care System
7 (Oahu Region) to develop a strategic plan that addresses the utilization of all Oahu Region
8 facilities and to submit a report to the Legislature prior to the regular session of 2024. This
9 measure extends the assimilation of the Daniel K. Akaka State Veterans Home from the
10 Department of Defense to the Oahu Region to June 30, 2024. Lastly, this measure requires the
11 Oahu Region to submit a progress report to the Legislature regarding the status of construction
12 and hiring of an operator for the Veterans home.

13 The Department continues to support the Oahu Region’s efforts to develop their
14 strategic plan for the utilization of their facilities. We have been in discussion regarding usable

1 space at Oahu Region facilities and will continue to discuss future possibilities should their
2 current facilities be improved.

3 Regarding the extension of assimilation of the Daniel K. Akaka State Veterans Home to
4 the Oahu Region, and requiring the Oahu Region and the Department of Defense to jointly
5 submit a progress report to the Legislature on the construction and hiring of an operator for the
6 Veteran's home, the Department defers to the Oahu Region for these parts of this measure.

7 **Offered Amendments:** None.

8 Thank you for the opportunity to testify on this measure.

TESTIMONY ON HOUSE BILL 406, HD2, A BILL RELATING TO
HEALTH PRESENTATION TO

COMMITTEE ON HEALTH AND HUMAN SERVICES AND THE

COMMITTEE ON PUBLIC SAFETY AND
INTERGOVERNMENTAL AND MILITARY AFFAIRS

BY

TOMMY DRISKILL, HEALTHCARE COORDINATOR, STATE
OFFICE OF VETERANS SERVICES

March 22, 2023

Chair San Buenaventura, Chair Wakai, and Vice Chair Aquino,
Vice Chair Elefante and Members of the respective Senate
Committees.

I would like to offer testimony with comments on two provisions of HB406 HD2:

- Deputy AG, Mike Vincent, working with the Corporation Counsel of Oahu Region, HHSC, has opined that the provision to extend assimilation of the Daniel K. Akaka State Veterans Home from the Department of Defense (DOD) to the Oahu Regional, HHSC from NLT June 30, 2023 to NLT June 30, 2024 is not necessary. Opine rationale is that a Memorandum of Agreement (MOA) between DOD and Oahu Region, HHSC is sufficient to satisfy both parties operational responsibilities and any concerns associated with a NLT June 30, 2023 turnover date. In fact this MOA (Version 16) has been finalized, signed by both AG legal counsel + the State of Hawaii Adjutant General and forwarded last week to Oahu Region, HHSC leadership for counter signature.
- Given the past ten months of close leadership interaction between Oahu Region, HHSC and DOD, a strong collaborative partnership has been forged through weekly meetings and in-person site visits. Therefore, it is most appropriate for these two agencies of the State to collaborate on a Joint report to the Legislature regarding construction and the hiring of an operator for the Daniel K. Akaka State Veterans Home

Thank you for the opportunity to testify on HB406 HD2.

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TESTIMONY ON HOUSE BILL 406, HD2, A BILL RELATING TO HEALTH
PRESENTATION TO
COMMITTEE ON HEALTH AND HUMAN SERVICES AND THE
COMMITTEE ON PUBLIC SAFETY AND INTERGOVERNMENTAL AND MILITARY
AFFAIRS

BY

RONALD P. HAN JR., DIRECTOR, STATE OFFICE OF VETERANS SERVICES

March 22, 2023

Chair San Buenaventura, Chair Wakai, and Vice Chair Aquino, Vice Chair Elefante and Members of the respective Senate Committees.

I'm Ron Han, Director, State Office of Veterans Services, and I am offering testimony with COMMENTS for HB 406, HD2, Relating to Health.

There are two provisions of HB 406, HD2 that we would like to amplify: First, the extension of the assimilation of the Daniel K. Akaka State Veterans Home (DKA SVH) to 6/30/24 from State DOD to Hawaii Health Systems Corporation (HHSC)-Oahu Region. We have been working with HHSC-Oahu Region, the Department of Accounting and General Services, the State Attorney General's Office and the State DOD for ten months since the implementation of HB 1893 that would have transferred the DKA SVH to HHSC-Oahu Region by June 30, 2023. Deputy State Attorney General Michael Vincent working with the Corporation Counsel of HHSC-Oahu Region, determined that a Memorandum of Agreement (MOA) would be most suitable if the date would have to be extended vice using legislation. We have submitted this 16th revised MOA for official signatures with all interested parties and believe we are at solution for signoffs by both respective organizations.

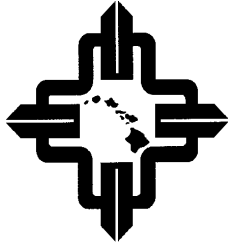
Secondly, on the provision for HHSC-Oahu Region and State DOD to provide a joint progress report to the legislature regarding the construction and the hiring of an operator for the DKA SVH. We believe it is most appropriate that these two agencies continue to work collaboratively to provide and to package this joint progress report for the legislature since we have been meeting weekly for over ten months. During these

session updates, the status of construction is covered in-depth along with the multiple drafts that have been amended and reviewed for the operator proposal for DKA SVH.

Finally, our Veterans deserve the type of enhanced and critical healthcare long-term services that the DKA SVH will provide to our eligible Veterans and their loved ones throughout the State. With over 86% of the construction of the home completed, incorporating the HHSC-Oahu Region with their healthcare and operational expertise, will continue to place the home on track to meet its construction, certification and in-take milestones.

Thank you for this opportunity to provide comments on this measure.

Point of Contact: Ron Han/ email: ronald.p.han@hawaii.gov / (808) 433-0422.



**OAHU REGION
HAWAII HEALTH SYSTEMS CORPORATION**

**Committee on Health and Human Services
Senator Joy A. San Buenaventura, Chair
Senator Henry J.C. Aquino, Vice Chair**

**Committee on Public Safety and Intergovernmental and Military Affairs
Senator Glenn Wakai, Chair
Senator Brandon J.C. Elefante, Vice Chair**

March 22, 2023, 1:00 P.M.
Conference Room 225 & VC
Hawaii State Capitol

Sean Sanada
Oahu Region Chief Administrative Officer
Hawaii Health Systems Corporation
Re: Testimony in Support, Request for Appropriation

HB 406, HD2, RELATING TO HEALTH

UPDATED

Chairs San Buenaventura and Wakai, Vice-Chairs Aquino and Elefante, and Members of the Committees on Health and Human Services and Public Safety and Intergovernmental and Military Affairs:

HB 406, HD2: (1) requires the department of health (hereinafter, "DOH") and Oahu regional health care system (hereinafter, "Oahu Region") to develop a strategic plan for the utilization of all Oahu regional health care system facilities and report to the legislature prior to the regular session of 2024; (2) extends the assimilation of the Daniel K. Akaka state veterans home to June 30, 2024; and (3) requires the Oahu Region and department of defense to provide a joint progress report to the legislature regarding construction of and the hiring of an operator for the Daniel K. Akaka state veterans home.

The Oahu Region respectfully offers the following testimony in support:

Strategic Plan for Utilization of the Oahu Region's Facilities

- The Oahu Region and DOH understand that there is a current and immediate need for behavioral health and substance use services on Oahu. That being said, it should be emphasized that the Oahu Region and DOH – in addition to working on the Oahu Region transition to DOH pursuant to Act 212, SLH 2021 – contemporaneously explored

projects that could be quickly implemented in the Oahu Region's facilities under existing conditions.

- One of the successful results of our work with the DOH was the Palekana behavioral health program, which started in December 2019 as a pilot project to provide lower acuity mental health and substance use treatment for Hawaii State Hospital patients. While the program initially started with only six (6) beds, we were able to expand the bed space to its current capacity of 28 beds. Based on calculations made by the DOH Adult Mental Health Division ("AMHD"), the Palekana program at Leahi yields the DOH estimated annual savings of over \$15 million in comparison to housing such participants at the Hawaii State Hospital.
- The Oahu Region has recently been working with the DOH to shift some of the existing programs at Leahi Hospital to new areas in an effort to maximize the amount of remaining space that is immediately usable. Given the success of the Palekana program, we would like to commit this remaining space to expand Palekana's bed capacity.
- At the Oahu Region's other facility, Maluhia, there is one unit that could currently be utilized for a DOH program. Toward that end, we have been evaluating a number of projects that would be appropriate based upon regulatory and logistical considerations.
- Although it is true that there is a reasonable measure of unused space at Leahi Hospital, it should also be noted that much of this space currently rests in a dilapidated state and will require millions of dollars and years of construction to fabricate it for clinical use. Nevertheless, as such construction could be materially expedited through the reasonable exercise of the Oahu Region's procurement exemptions, it is our plan to continue working with the DOH and other relevant parties to develop additional plans for expanded programming once the unusable spaces become commercially operational.
- Given our ongoing efforts to responsibly and effectively utilize the Oahu Region's facilities, the Oahu Region supports submitting a strategic plan that outlines the process and anticipated goals.

Request for Appropriation

- During the course of our strategic planning, the Oahu Region has been collaborating with the Emergency Medical Services Department of the City and County of Honolulu (hereinafter, "CMS") to develop a program to help alleviate the waitlist issues being faced by acute facilities throughout Oahu.
- We recently identified a large unused space on the Leahi Hospital campus that could be quickly fabricated to provide medical services and transitional housing for approximately forty (40) individuals at any given time. The direct beneficiaries of these services would be lower acuity patients who do not require acute beds but remain at our local hospitals because there is no place for them to be safely discharged. Other beneficiaries include similarly injured or sick individuals who are found in the community and can be taken directly to this facility instead of the ER.
- If funded and we are able to expedite all necessary permits, we are hopeful to be operational within 6-12 months. It is our intent to utilize the Oahu Region's procurement exemption to streamline construction. While meals and maintenance services would be provided by Oahu Region staff, the program would otherwise be facilitated by EMS.
- Based upon our joint assessment of the proposed space, the funding necessary to complete all necessary construction is approximately \$2M. As this will be a joint venture

with EMS, the Oahu Region's contribution – if approved by the legislature – would be \$1M with the remaining costs to be covered by the City and County of Honolulu.

- Accordingly, the Oahu Region respectfully requests that this Committee amend the instant bill to include an **additional CIP appropriation of \$1M** to cover the Oahu Region's share of construction costs for a transitional treatment and housing facility on the Leahi Hospital campus.
- As the Oahu Region maintains its own Program ID for funding, we ask that the appropriation, if approved, be directed to **HTH 215**.

Extension of the Deadline to Assimilate the Daniel K. Akaka State Veterans Home into the Oahu Region

- Although the Oahu Region has been actively playing a consultative and otherwise supporting role in the development of the Daniel K. Akaka State Veterans Home in Kapolei, the department of defense ("DOD"), with the vital assistance of the department of accounting and general services ("DAGS"), is the primary party overseeing its construction. The Oahu Region's responsibility for the facility is intended to formally take place once the facility is completed.
- The Daniel K. Akaka State Veterans Home was initially slated to be completed in the spring of 2023. Due to COVID-19 and the impact this pandemic had on part production, shipping, and other supply chain issues, the facility is now expected to be completed sometime in 2024.
- Act 285, SLH 2022, which facilitates the transfer of the Daniel K. Akaka State Veterans Home from the DOD to the Oahu Region, set the deadline for the transfer on June 30, 2023.
- Given that the Daniel K. Akaka State Veterans Home will not be fully constructed until 2024, the Oahu Region supports the one-year deadline extension granted by the instant measure.

Thank you for the opportunity to testify on HB 406, HD2.