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STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES
ON
SENATE BILL NO. 1476

**February 6, 2023
1:00 P.M.
Room 225 and Videoconference**

RELATING TO SPECIAL PURPOSE REVENUE BONDS.

The Department of Budget and Finance offers the following comments on Senate Bill No. 1476 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
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WAILUKU, MAUI, HAWAII 96793
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February 5, 2023

TO: The Honorable Senator Joy A. San Buenaventura, Chair,
and Members of the Senate Committee on Health and Human Services

FROM: Alice L. Lee, Chair
Maui County Council

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

SUBJECT: **HEARING OF FEBRUARY 6, 2023; TESTIMONY IN SUPPORT OF SB 1476, RELATING TO SPECIAL PURPOSE REVENUE BONDS**

Thank you for the opportunity to testify in **support** of this important measure. This measure authorizes the Department of Budget and Finance to issue special purpose revenue bonds for up to \$20 million to assist the West Maui Hospital Foundation with the financing of design, construction, and equipment for 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 these reasons, the Maui County Council **supports** this measure.

ocs:proj:legis:23legis:23testimony:sb1476_paf23-007(18)_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

LATE

SB-1476

Submitted on: 2/5/2023 4:52:36 PM

Testimony for HHS on 2/6/2023 1:00:00 PM

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

Comments:

Dear Chair and committee members

I am in full support of this measure so that our West Maui Community will finally be given an opportunity to get the life saving care that we do desperately need. Our Maui County Council is in full support of the hospital and they have sent a resolution to the State which details why this is so critical to our residents. We have already put in almost 30 million dollars of private funding and much of the infrastructure is in place however we need to secure the support of our local and state government in order to pursue loans and other funding needed to construct the actual facilities. Because it is difficult for our kupuna and local residents to testify in person and because many people work during hearing times we have trouble getting the word out. We ask that you please move this measure forward so that we can gather more testimony and figure out how to submit it to your various committees. As a former Maui County Councilmember from West Maui and retired Director of Transportation for Maui, I am keenly aware of the need for this critical infrastructure component. With plans for Department of Hawaiian Homes building more housing, the affordable housing coming up near Lahaina and also Pulelehua adjacent to our airport this project cannot wait. Please know that Malia Shimomura from our Health Care Career Program at Lahainaluna High School wrote testimony in support of the hospital in order to insure retention of students in her program who often drop out when they cannot complete their assignments unless they travel to Central Maui. These students will have a chance to volunteer and shadow physicians and nurses once we are able to open, which will provide our next generation of medical professionals. If you have any questions about this project please contact me at (808) 463-7158 so I can provide you additional information. Thank you for giving our community a chance to get care that is otherwise only available after a 45 minute to an hour ambulance ride to Maui Memorial Hospital.

Thank you for hearing our plea and that of the many West Maui community members who cannot be present for your hearing.

Sincerely, JoAnne Johnson Winer

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.

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 Senate 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.

LATE

SB-1476

Submitted on: 2/6/2023 11:23:17 AM

Testimony for HHS on 2/6/2023 1:00:00 PM

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

Comments:

Aloha, Writing in support of the West Maui Hospital issue moving forward. There are still details that need to be worked out, however, I ask that you please move this issue forward. West Maui can be cut off from the rest of Maui due to fire, landslides, flooding, car accidents and other issues. West Maui brings in a lot of revenue to the State and County. Please move this forward.

Mahalo,

Tamara