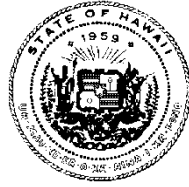


JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



CATHY BETTS  
DIRECTOR  
KA LUNA HO'OKELE

JOSEPH CAMPOS II  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**DEPARTMENT OF HUMAN SERVICES**  
KA 'OIHANA MĀLAMA LAWELAWE KANAKA  
Office of the Director  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

TRISTA SPEER  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

March 18, 2024

TO: The Honorable Senator Joy San Buenaventura, Chair  
Senate Committee on Health and Human Services

The Honorable Senator Jarrett Keohokalole, Chair  
Senate Committee on Commerce and Consumer Protection

FROM: Cathy Betts, Director

SUBJECT: [HB 2544 HD1](#) - RELATING TO MEDICAL TRANSPORTATION.

Hearing: March 20, 2024, 1:00 p.m.  
Conference Room 225 & Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) provides comments on this measure. DHS defers to the Department of Health and respectfully requests that any appropriation not reduce or replace budget priorities identified in the executive budget.

**PURPOSE:** This measure establishes within the Department of Health a 2-year pilot project to charter flights from rural islands to an urban island to provide rural island residents with reliable transportation to medical care on urban islands and to transport medical service providers from an urban island to a rural island. Declares that the general fund appropriation will breach the expenditure ceiling. Appropriates funds. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025. Sunsets 6/30/2026. Effective 7/1/3000. (HD1)

The House Committee on Health and Homelessness (HD1) amended this measure by:

- (1) Deleting language allowing medical providers to reserve and pay for seats on chartered flights;
- (2) Changing the number of roundtrip flights offered per week to an unspecified amount;
- (3) Deleting language establishing the Essential Rural Medical Air Transport Revolving Fund and the associated appropriation into the fund;
- (4) Establishing an end date of June 30, 2026, for the pilot program;
- (5) Changing the appropriation to the Department of Health to an unspecified amount and changing the source of funding to the State's general revenues, rather than the Essential Rural Medical Air Transport Revolving Fund;
- (6) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

For the committee's information, Medicaid health plans already cover medically necessary transportation for individuals covered by Medicaid. DHS appreciates efforts to increase access to medical care for Medicaid beneficiaries.

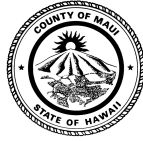
Thank you for the opportunity to provide comments on this measure.

Council Chair  
Alice L. Lee

Vice-Chair  
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Tom Cook  
Gabe Johnson  
Tamara Paltin  
Keani N.W. Rawlins-Fernandez  
Shane M. Sinenci  
Nohelani U'u-Hodgins



Director of Council Services  
Traci N. T. Fujita, Esq.

Deputy Director of Council Services  
David M. Raatz, Jr., Esq.

## COUNTY COUNCIL

COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

March 19, 2024

TO: COMMITTEE ON HEALTH & HUMAN SERVICES  
Chair Joy A. San Buenaventura • Vice Chair Henry J.C. Aquino

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION  
Chair Jarrett Keohokalole • Vice Chair Carol Fukunaga

FROM: Councilmember Keani Rawlins-Fernandez 

**SUBJECT: STRONG SUPPORT OF HB2544, RELATING TO MEDICAL TRANSPORT**

Aloha e Chairs, Vice Chairs, and honorable committee members,

Mahalo for this opportunity to testify in *strong support* of HB2544, which would establish a 2-year pilot project to charter flights from rural islands to an urban island to provide rural island residents with reliable transportation to medical care on urban islands and to transport medical service providers from an urban island to a rural island.

As stated within the bill, the Molokai and Lānaʻi communities have been plagued with inconsistent, undependable, and costly air transportation services, including frequent and last-minute flight changes, cancellations, lengthy delays, without any help from Mokulele with accommodations when this happens. Our community members are left on Oʻahu to figure out and pay for transportation and lodging on their own.

It has been a nightmare for so many of us. Our community members could submit thousands of horrifying stories illustrating our plight. I have attached an article from *Ka Wai Ola* that captures small part of it. (*Fernandez-Akamine, Puanani. (2023, July 1). "Transportation Tribulation." Ka Wai Ola, 40(7), 16-18. https://kawaiola.news/cover/transportation-tribulation/*).

Mahalo for your consideration of this measure to help our communities.

# TRANSPORTATION TRIBULATION

**POST-PANDEMIC, TRAVEL TO AND FROM MOLOKA'I HAS BECOME INCREASINGLY FRUSTRATING FOR RESIDENTS WITH JUST ONE AIRLINE SERVICING THE ISLAND AND NO OTHER TRANSPORTATION OPTIONS**

BY PUANANI FERNANDEZ-AKAMINE

**A**la Haliniak-Kali of Mana'e, Moloka'i, is expecting her third baby in late July. Considered "higher risk" because she is over 35, Haliniak-Kali goes to a fetal diagnostics center in downtown Honolulu once a month to monitor her baby's development. It's just a 10-minute appointment but getting to O'ahu from Moloka'i and back home again is not always easy.

On more than one occasion, Haliniak-Kali has found herself stranded on O'ahu unable to get a flight home after her appointment. "It's because there's no more flights or no more seats." She said that her insurance provider, AlohaCare, does not always schedule her travel far enough in advance and seats on Mokulele Air, the only carrier currently serving Moloka'i, are limited and fill up quickly.

Haliniak-Kali described taking a 9:00 a.m. flight to Honolulu for a 2:45 p.m. appointment and then having to wait until 5:30 p.m. the following day to get on a flight home. "It's a struggle for me every month," she said.

Post-pandemic, travel to and from their island has become a serious pain point for Moloka'i residents. And at the center of the controversy is Mokulele Air.

Prior to the pandemic, Mokulele Air was one of three airlines serving Moloka'i. Founded in 1994 by Rebecca Kawehi Inaba, Mokulele is the first airline founded by a Native Hawaiian woman. She sold the airline in 2005 and over the next 14 years it navigated a series of agreements, owners and partnerships until February 2019 when it was acquired by Florida-based Southern Airways, one of America's leading commuter airlines.

The merger was completed in February 2020, a month



A crowd of Mokulele passengers wait to board their flight in Honolulu. Ongoing problems with flight delays, cancellations and limited capacity has vexed the Moloka'i community. Since the pandemic abated, Mokulele is the only airline still serving the island of Moloka'i. - Photo: Gayla Haliniak

prior to the worldwide COVID-19 lockdown. Four months later, Southern Airways announced the merger of Mokulele Air with competitor Makani Kai Air. The third carrier, 'Ohana by Hawaiian, halted its passenger service in early 2021 and ceased operations altogether in May 2021, citing "the severe decline in Neighbor Island

travel demand resulting from the COVID-19 pandemic."

As Hawai'i emerged from the pandemic and inter-island commuter traffic resumed, having just one airline to serve Moloka'i – when previously there were three – has been a difficult adjustment. For most residents, the affordability, availability and reliability of air travel to and from their island has become a major concern.

This is especially true for people, like Haliniak-Kali, who must travel to O'ahu or Maui for specialized medical appointments or treatment.

For residents, the need for reliable air service for medical care has never been greater. Late last year Moloka'i suffered the unexpected loss of two long-time resident physicians - Dr. Noa Emmett Aluli and Dr. William Kāneloa Thomas. Their passing, within months of one another, left 60% of Moloka'i residents without a primary care physician (see related story on page 15).

But trying to get doctors to Moloka'i – or get the residents to their doctors – is an ordeal made exponentially more difficult when air service is considered unreliable. Patients and doctors alike cite delayed or canceled flights as one of the biggest obstacles to getting Moloka'i people the medical care they need.

"A lot of our community members wait. I mean, dentist and doctor appointments – they wait months and months to even get these appointments. And then when they finally get it, their flight gets canceled, or delayed to where they miss their appointments. I've had it happen to my family," said community advocate Hawai'iloa Mowat.

In early May, Dr. Ka'ohimanu Akiona, a Hawai'i Island-based family physician opened a clinic on Moloka'i in an effort to help fill the void. And in the process, she has experienced first-hand the travel challenges that Moloka'i residents face.

"Every week I lose about four to six hours in delays, just sitting at airports," Akiona said. Factoring in flight cancellations and delays, Akiona spends an estimated 10-12 hours traveling each week to maintain clinic hours on Moloka'i from Monday to Wednesday, and clinic hours on Hawai'i Island from Thursday to Saturday.

Currently, Mokulele only offers Moloka'i travelers direct flights to/from Maui and O'ahu.

For now, Akiona is willing to accept the inconveniences associated with traveling to Moloka'i each week. Her greater concern, however, is the impact that the unreliability of flights to and from the island has had on some of her patients.

"They're choosing not to take [off-island] appointments with specialists because it's 'humbug' and they could potentially be stuck on another island." Akiona said that one kupuna whom she tried to refer to an off-island specialist refused telling her, "Nah, that's okay. More better I die maybe."

"That really bothered me," said Akiona. "Even if they're kidding, somewhere in there is a grain of truth about how they feel."

There are many anecdotes about residents getting stranded off-island for hours or even days.

Maui County Councilmember Keani Rawlins-Fernandez, who represents Moloka'i, shared that recently her 7-year-old niece had to travel to O'ahu for outpatient ear surgery. "She was traveling with my mom. Their return flight was at 2:00 p.m. [but] they were delayed until 10:00 that night. They waited at the O'ahu terminal for eight hours! It started getting cold and because their flight was supposed to be at 2:00 they hadn't packed jackets. And there's no food at that terminal. Just vending machines."

Rawlins-Fernandez, who commutes to Maui for work, says that in order to make a 9:00 a.m. meeting she normally flies to Maui the night before to avoid being late or missing her meeting entirely. "I don't want to do that because it means I have less time to spend with my family [but] I can't trust that Mokulele won't change my flight time on me. But not everyone has that kind of



With just one airline serving Moloka'i, some residents are using their own boats to get them and their families to Maui for work or medical appointments. - Photo: Gayla Haliniak

flexibility or opportunity to accommodate Mokulele's unreliable schedule," she added.

Mowat says that the airline's customer communication could use improvement. He and others describe arriving at the airport only to learn that their flight has been canceled or rescheduled. Sometimes they get text messages or calls ahead of time. Sometimes they don't.

Hawai'i State Sen. Lynn Pualani DeCoite (who represents Hāna, East and Upcountry Maui, Moloka'i and Lāna'i) lives on Moloka'i and commutes to O'ahu. She has also experienced numerous airline delays and cancellations and shares the frustrations of her community.

During the 2023 legislative session DeCoite introduced a bill to create an airline subsidy program designed to provide \$1 million to airlines operating out of Moloka'i and Lāna'i. Although DeCoite's Bill had support in the Senate, it was killed in the House.

DeCoite said that the bill was an effort to address complaints about high prices. "We were trying to offset the cost of airfare and [give] other airlines the opportunity to step into the market and provide competition and options for our residents."

Although the bill died, DeCoite was able to get the Senate to pass a resolution urging the Department of Transportation to establish a working group to evaluate options to provide additional air service to remote and

underserved communities.

"I put the reso in because although it doesn't have much teeth, I wanted to keep the conversation going for us to look at other options for transportation," DeCoite said.

There is a perception that having just one airline serving Moloka'i has created a monopoly for Mokulele with residents paying the price.

"Reliability is the biggest problem, but the salt in the wound really is the cost," said Rawlins-Fernandez. "When you pay a lot you expect good quality in return, right? But we're paying high prices for very low quality service."

"I think the most immediate fix would be another airline for another option," Mowat said. Competition just brings better prices. It brings better service, you know? Yes, it'll take business away from Mokulele, but it's also gonna take pressure off of them because they obviously don't have enough working planes to service our island the way we need to be serviced."

But Mokulele Air Chief of Staff Keith Sisson said there is not enough business on Moloka'i for two airlines.

"Two airlines would mean that neither would be profitable. Mokulele is able to remain viable on Moloka'i due to the volume of business, not the airfare that we charge. If passenger volume were to decrease we would need to raise fares to offset the revenue loss and we would be forced to reallocate assets (like aircraft) to other markets."

Despite the desire of Moloka'i residents for a second carrier to service their island, it is unlikely that will happen any time soon.

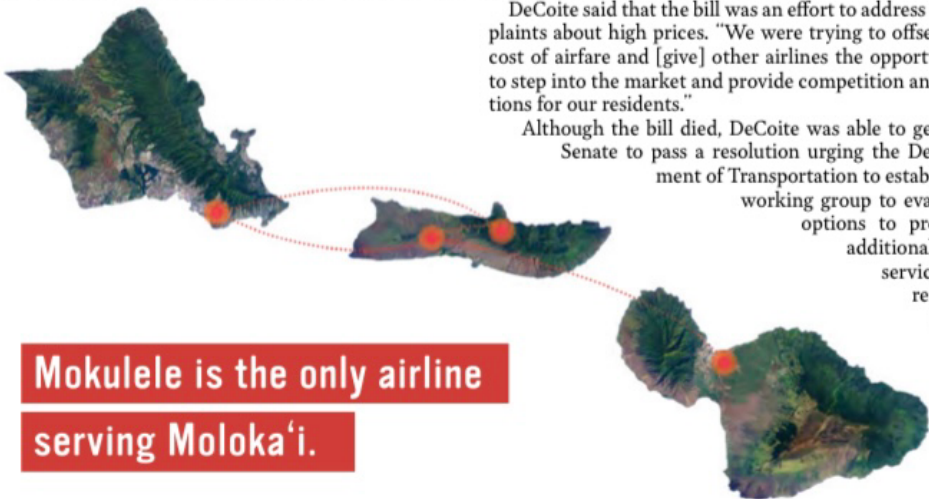
"I've reached out to just about every airline - Hawaiian, United, Delta, Alaska, Southwest - most of them responded that they don't have [small enough] planes for the size of our runway," DeCoite said. Several airline executives told her that the length of the runway at Moloka'i Airport would need to be extended before they would consider servicing the island.

DeCoite added that Mokulele executives have told her that part of the problem is that they've been challenged to find and keep employees because their pilots and mechanics are being recruited to work at larger airlines offering higher salaries and signing bonuses. "And if it's not that, it's weather challenges or mechanical breakdowns."

"With all the horror stories and the delays and cancellations, no matter what they tell the community nobody believes them already. We need consistency from Mokulele. And the consistency is not there."

In response to criticism about Mokulele's consistency and reliability, Sisson said the company has recently made considerable improvements. "One of the most impactful things that we have done is that we increased the ground time between flights and lengthened the flight time of each flight. This means if we get behind early in the day, we can get back on schedule. Even on our bad days, most of our flights operate on time. I think it takes quite a while for people to forget about a delayed flight that disrupted their plans."

He also noted that, recently, all inter-island carriers



## TRANSPORTATION TRIBULATION

Continued from page 17



Passengers bound for Moloka'i board one of Mokulele's nine-seater Cessnas at the Honolulu Airport. - Photo: Mokulele Airlines

have experienced delays due to runway construction in Honolulu.

According to Sisson, Mokulele is investing in Moloka'i to keep fares stable and provide more seats during peak demand times. That includes adding planes to their original fleet of nine-passenger Cessnas. Two Saab 340 turboprop aircraft with capacity for 30-36 passengers have already been added and a third Saab is on schedule to arrive in late summer. In addition, the company has also acquired three 11-seat Tecnam P2012 Travellers that should arrive from Guåhan (Guam) sometime this month.

Although residents looked forward to Mokulele's acquisition of the larger Saab aircraft, there were several mechanical failures early on – including a frightening incident on May 2 when a Saab carrying the Moloka'i High School Robotics Team to O'ahu lost an engine mid-flight over the Ka'iwi Channel. Fortunately no one was injured but the event did not generate community confidence.

"I do see Mokulele trying to improve," Mowat said. "But when they said they brought in new airplanes, we found out that wasn't brand new airplanes, those are older airplanes. So that's why they're getting all these problems."

"They buy used planes. There's a risk whenever you buy a used car – are you buying a lemon? If you're not buying brand new, I would expect them to have a pretty reliable team of mechanics," Rawlins-Fernandez said.

Meanwhile, some Moloka'i commuters have simply given up on airplanes.

Kawika Pua'a lives on Moloka'i but works on Maui Monday through Friday, returning home to his 'ohana on the weekends. Last March, after too many delayed or canceled flights left him stranded, he started taking his boat to work.

"It was just really hard. I was either getting stuck on Maui and not able to come back home, or stuck at home and not able to go back to Maui for work."

It takes Pua'a about an hour to cross the Pailolo Channel to Maui, and gas costs him about \$250 for the roundtrip. "Roundtrip airfare on Mokulele costs about the same," he said. "Like for me, I would rather pay that \$250 for my fuel so I can go when I want to go, and get home when I want to get home."

Because his 'ohana and friends know he is traveling to Maui and back each week, they sometimes ask him for help if they can't get a flight off the island. "Friends and family are like, 'Hey, can we jump on? We need to get to a doctor's appointment and they're not flying out.' I'm just going to work, and people are jumping on [the boat] with me."

In an effort to give the people of Moloka'i another transportation option, the Maui County Council is considering a creative solution – the purchase of a ferry service.

Councilmember Gabe Johnson, who represents Lāna'i, is spearheading the county's acquisition of Expeditions, a ferry service currently providing transportation between Lāna'i and Maui.

"The council unanimously supported a feasibility study for the county to own Expeditions," explained Rawlins-Fernandez. "There's a federal grant [available] for small municipalities owning ferry services so we're going to explore that idea for the county to own Expeditions and expand the service to Moloka'i."

Rawlins-Fernandez is optimistic about the initiative, but cautions that it could take several years to complete the process since federal funding is involved. "When U.S. Rep. Jill Tokuda came to Moloka'i in May for her Town Hall, Councilmember Johnson spoke to her about the idea and she sounded supportive. If we can secure some federal funding I think there's support to move forward."

The current situation for those traveling to and from Moloka'i is not ideal, and the relationship between Mokulele Air and the Moloka'i community has been tested many times – and no doubt will continue to be tested. Still, despite their frustration, most people are realistic about the fact that Mokulele hasn't refused to service their island like other air carriers.

"It's a hard line to walk to criticize them, but at the same time, be grateful that they're even flying to Moloka'i. No one else is. Honestly, I don't know what government would do if Mokulele said, 'we're not going to fly to Moloka'i anymore.' What would happen? I don't know," Rawlins-Fernandez said.

"I think, as a community, Moloka'i, is super thankful that we still have airline service," reflected Mowat. "Because you know, if Mokulele Airlines disappears then what will we do? I gotta sometimes remind people, hey, you guys are paying good money. And this is a service. And these guys are making money off of our community, and so it's okay to bring up your gripes sometimes, so that things can get fixed." ■



March 20, 2024

The Honorable Joy A. San Buenaventura, Chair  
The Honorable Henry J.C. Aquino, Vice Chair  
Senate Committee on Health and Human Services

The Honorable Jarrett Keohokalole, Chair  
The Honorable Carol Fukunaga, Vice Chair  
Senate Committee on Commerce and Consumer Protection

Re: HB 2544 HD1 – Relating to Medical Transportation

Dear Chair San Buenaventura, Chair Keohokalole, Vice Chair Aquino, Vice Chair Fukunaga,  
and Members of the Committees:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to provide testimony in support of HB 2544 HD1, which establishes within the Department of Health a 2-year pilot project to charter flights from rural islands to an urban island to provide rural island residents with reliable transportation to medical care on urban islands.

We support ensuring that our members on Molokai, Lanai, and other rural areas of our neighbor islands can access their healthcare needs and share this priority. We appreciate the legislature's efforts to address this growing need across the state and look forward to participating in this project.

Thank you for the opportunity to testify in support of HB 2544 HD1.

Sincerely,

Dawn Kurisu  
Assistant Vice President  
Community and Government Relations



**MOLOKA'I DRUGS, INC.**  
**EST. 1935**

March 19, 2024

**Testimony in SUPPORT for HB2554, HD1 – Relating to Medical Transportation**

Dear Chairs San Buenaventura and Keohokalole, Vice Chairs Aquino and Fukunaga, and members of the Senate Committees on Health and Human Services and Commerce and Consumer Protection:

As a *rural* healthcare provider, access to comprehensive, high-quality health care services is our mission at Moloka'i Drugs, Inc. On behalf of our employees and patients, I am testifying in favor of HB2554, HD1, which "establishes within the Department of Health a two-year pilot project to charter flights from rural islands to an urban island to provide rural island residents with reliable transportation to medical care on urban islands and to transport medical service providers from an urban island to a rural island."

Every week, our pharmacy staff and I know and talk to Moloka'i residents who have missed cancer treatments, dental cleanings, occupational and/or physical therapy, surgeries, colonoscopies and other specialists' appointments due to the single air carrier cancelling or delaying flights. To plan for the stress of air transportation, hundreds of Moloka'i residents have made thousands of flights *the day before* a medical appointment to guarantee arrival before their sessions. This comes with the added financial burden for many Moloka'i families of car rentals, overnight stays in hotels, and additional meals and incidentals.

**For many of our older and/or physically challenged residents, it is not one roundtrip flight, but, two roundtrip flights—one airplane ticket for the patient and one airplane ticket for his/her caregiver.**

The inconsistent air transportation has personally affected me for as a caregiver for my 87-year-old "hanai" mother who has dementia. I have made two of her medical appointments for later this year; these appointments were made 4-6 months in advance. Like others on Moloka'i, I need to fly to Honolulu the night before her appointments. I have also cancelled five of her appointments in 2023 due to cancelled or delayed flights.

Moloka'i is a medically underserved area. When our medical providers need to refer their patients, this access to healthcare is often provided by doctors on Maui, O'ahu, and Hawai'i Island. It is critical that we as taxpayers fund a two-year pilot to charter flights from the smaller islands to the larger islands with more medical resources. Therefore, we ask that you please vote in support of HB2554, HD1, which will help in increasing access to comprehensive, high-quality healthcare services for our rural residents with more reliable air transport. Thank you for your consideration.

Sincerely,

*Kimberly Mikami Svetin /s/*

Kimberly Mikami Svetin  
President  
Moloka'i Drugs, Inc.  
P.O. Box 558  
Kaunakakai, HI 96748  
Work 808-553-5790





## 'Ahahui o nā Kauka

677 Ala Moana Blvd., Suite 1015

Honolulu HI 96813

Phone 808.548.0270

E-mail [huikauka@gmail.com](mailto:huikauka@gmail.com)

### 2023-2024 Advocacy Committee

Marcus Kāwika Iwane, MD  
President

Kapono Chong-Hanssen, MD  
Vice-President & Advocacy Chair

Mahealani Lum, DO  
Secretary

Kara Wong Ramsey, MD  
Treasurer

Kapua Medeiros, MD

Natalie Young-Albanese, MD

March 15, 2024

### COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair

Senator Henry J.C. Aquino, Vice Chair

### COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair

Senator Carol Fukunaga, Vice Chair

Group Testimony in support of HB2544 HD1 RELATING TO MEDICAL  
TRANSPORTATION

'Ahahui o nā Kauka is an organization of Native Hawaiian physicians dedicated to the health of the people of Hawai'i and Native Hawaiians in particular. Many of our members have borne witness to adverse health events, often tragic, due to delays in care caused by the transportation barriers unique to rural Hawai'i. Several of our past and present members have dedicated much of their careers to caring for the people of Moloka'i as well. We support HB2544's efforts to improve access to care through this pilot project.

Wednesday, March 20, 2024; 1:00 pm  
Conference Room 225 & Videoconference

**Senate Committee on Health and Human Services**

To: Senator Joy San Buenaventura, Chair  
Senator Henry Aquino, Vice Chair

**Senate Committee on Commerce and Consumer Protection**

To: Senator Jarrett Keohokalole, Chair  
Senator Carol Fukunaga, Vice Chair

From: Michael Robinson  
Vice President, Government Relations & Community Affairs

**Re: Testimony in Support of HB 2544, HD1  
Relating To Medical Transportation**

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My name is Michael Robinson and I am the Vice President of Government Relations & Community Affairs at Hawai'i Pacific Health (HPH). Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

**I write in support of HB 2544, HD1** which establishes a 2-year pilot project within the Department of Health (DOH) to charter flights from rural islands to an urban island to provide rural inland residents with reliable air transportation to medical care on urban islands. The bill also proposes to transport medical service providers from an urban island to a rural island through chartered flights.

Receiving appropriate and timely medical treatment are key determinants of positive outcomes for patients. For residents living on the neighbor islands, access to care is hindered by the increasing shortage of doctors and other health care providers in those communities. The segmented nature of Hawai'i is another factor that impacts access to care. The reality remains that frequently neighbor island residents must fly to Oahu for treatment which is not available on their island.

Based on the challenges involved with air travel, chartering flights could be an idea worth considering. Thank you for the opportunity to testify.



## THE QUEEN'S HEALTH SYSTEM

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To: The Honorable Joy San Buenaventura, Chair  
The Honorable Henry Aquino, Vice Chair  
Members, Senate Committee on Health & Human Services

The Honorable Jarrett Keohokalole, Chair  
The Honorable Carol Fukunaga, Vice Chair  
Members, Senate Committee on Commerce & Consumer Protection

From: Jacce Mikulanec, Director, Government Relations, The Queen's Health System

Date: March 20, 2024

Re: Support for HB2544 HD1: Relating to Medical Transportation

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The Queen's Health System (Queen's) is a nonprofit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, and more than 10,000 affiliated physicians, caregivers, and dedicated medical staff statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to provide testimony in support of HB2544 HD1, which establishes within the Department of Health a 2-year pilot project to charter flights from rural islands to an urban island to provide rural island residents with reliable transportation to medical care on urban islands.

Our most vulnerable and high risk patients deserve reliable transportation to medical care in the event of an emergency or scheduled appointment. We have observed patients from neighbor island facilities, including Molokai General Hospital and North Hawai'i Community Hospital, with serious medical conditions in desperate need of medical attention experience delays, cancellations, and flight changes. A more reliable and stable solution is needed.

Thank you for the opportunity to testify in support of this measure.

*The mission of The Queen's Health System is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.*

To: COMMITTEE ON HEALTH AND HUMAN SERVICES: Senator Joy A. San Buenaventura, Chair; Senator Henry J.C. Aquino, Vice Chair

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION, Senator Jarrett Keohokalole, Chair; Senator Carol Fukunaga, Vice Chair

From: Indivisible Hawai'i Healthcare Team

Re: HB 2544, HD1 RELATING TO MEDICAL TRANSPORTATION.

Aloha Chair San Buenaventura, Chair Keohokalole, and Members of the Committee,

The Indivisible Hawai'i Healthcare Team is in support of HB 2544, HD1 RELATING TO MEDICAL TRANSPORTATION.

As you well know, there is a significant and growing health care shortage on Hawaii's Neighbor Islands (NI), where 30% of the state's population lives. Hawai'i County is down 187 full-time physicians (40%) Maui County is short 158 full-time physicians (40%). A 2021 analysis found Hawai'i County had the third highest shortage of primary health care professionals in the nation. And Kauai had a 33% shortage of physicians as of December 2020, a problem that worsened post-pandemic. A 2022 report found 75% of Hawai'i rural hospitals were at risk of closing, the highest of any state (1) to (5). As mainly rural communities, NI residents regularly drive long distances for routine care, often must find specialty care on O'ahu or out of state, and are dependent upon air ambulance for transport to Honolulu hospitals for major emergency events (6).

As a result, NI residents often experience delayed care leading to health complications, and even loss of life. NI residents pay more for health insurance than O'ahu residents because health insurers put us in single island risk pools, rather than combining all Hawaii residents into one risk pool. All residents of Hawai'i pay for these NI difficulties and delays in finding medical care. The higher costs of emergency care, medical complications and morbidity increases costs to the entire health care system. Insurers then raise medical premiums, and this cost is passed on to employers and consumers.

This is a complex problem which will require multiple solutions. This bill will make a critical start towards improved access to health care services for Neighbor Island residents. Mahalo for your time and attention to this important issue!

References:

- (1) <https://nursingeducation.org/blog/counties-with-the-biggest-primary-health-care-worker-shortages/>
- (2) [https://www.hawaii.edu/govrel/docs/reports/2022/act18-sslh2009\\_2022\\_physician-workforce\\_annual-report\\_508.pdf](https://www.hawaii.edu/govrel/docs/reports/2022/act18-sslh2009_2022_physician-workforce_annual-report_508.pdf)
- (3) <https://bigislandnow.com/2022/11/17/kauai-doctor-shortage-includes-most-specialities-forcing-residents-to-fly-to-oahu/>
- (4) <https://www.civilbeat.org/2022/11/hawaii-island-is-getting-new-federal-funds-to-tackle-health-care-shortages-is-it-enough/>
- (5) Hawaii County Council, testimony of retired Hilo OB-GYN John Uohara, West Hawaii Today.9.10.23
- (6) <https://www.civilbeat.org/2023/06/hawaiis-struggle-to-provide-health-care-for-rural-islands-nearly-turned-tragic-for-this-expectant-mom/>

**Indivisible Hawai'i Healthcare Team** <https://indivisiblehawaii.org/>

To: The Honorable Joy A. San Buenaventura, Chair  
The Honorable Henry J.C. Aquino, Vice Chair  
Senate Committee on Health and Human Services

The Honorable Jarrett Keohokalole, Chair  
The Honorable Carol Fukunaga, Vice Chair  
Senate Committee on Commerce and Consumer Protection

From: Paula Arcena, External Affairs Vice President  
Mike Nguyen, Public Policy Manager

Hearing: Wednesday, March 20, 2024, 1:00 PM, Conference Room 225

RE: **HB2544, HD1 Relating to Medical Transportation**

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AlohaCare appreciates the opportunity to provide testimony in **support of the intent of HB2544, HD1**. This measure establishes within the Department of Health (DOH) the Essential Rural Medical Air Transport pilot project to provide residents from rural islands with increased access to medical care.

Founded in 1994 by Hawai'i's community health centers, AlohaCare is a community-rooted, non-profit health plan serving over 84,000 Medicaid and dual-eligible health plan members on all islands. Approximately 40 percent of our members are keiki. We are Hawai'i's only health plan exclusively dedicated to serving Medicaid and Medicaid-Medicare dually-eligible beneficiaries. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for access to quality, whole-person care for all.

AlohaCare is committed to improving access to care and strengthening the Medicaid program. As you may know, Medicaid enrollment in our State has grown by over 46% from 327,000 enrollees in March 2020 to 476,000 in January 2024. This tremendous growth has put a further strain on our State's already challenged provider capacity, especially in rural areas. The Hawai'i Physician Workforce Assessment Project Report<sup>1</sup> indicates that Hawai'i is in need of at least 750 doctors, with the greatest statewide shortage being in primary care specialties. The proportional need is greatest on the neighbor islands, with both Maui and Hawai'i County experiencing a physician shortage of 40%.

Hawai'i residents in rural and remote communities have long been accustomed to travelling to urban areas to access specialized care and routine treatment. Residents

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<sup>1</sup> <https://www.ahec.hawaii.edu/workforce-page/>

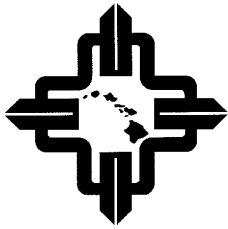
of Moloka'i and Lāna'i rely on air travel to access emergency and, oftentimes, routine medical care. Pregnant persons on Lāna'i must travel to give birth while those on Moloka'i can only deliver for low-risk pregnancies without an epidural.

Amidst the COVID-19 pandemic, the two airlines that used to serve Lāna'i and Moloka'i ceased operations, leaving residents with only one airline today. This remaining airline is a vital means for medical travel. However, it has experienced significant challenges and disruptions causing many residents to miss medical appointments.

AlohaCare provides medically necessary travel for our members. These challenges and disruptions have affected our members and providers. We have been actively engaged with the airline, our transportation coordination vendor, and legislators to proactively support a better solution and experience for our members and providers.

HB 2544, HD1 is an innovative proposal to test and evaluate a solution. While we support and appreciate the intent of the bill, we have operational and administrative questions on how this would work and how it would be funded for residents enrolled in the State's Medicaid program. We appreciate the comments shared by DOH in testimony submitted on this measure before the House Committee on Finance. Should these committees decide to establish a working group or task force, AlohaCare would be willing to meaningfully engage and contribute to this important discussion.

Mahalo for this opportunity to testify in **support of the intent of HB2544, HD1.**



**HAWAII HEALTH SYSTEMS**  
C O R P O R A T I O N

"Quality Healthcare For All"

**LATE**

**COMMITTEE ON HEALTH AND HUMAN SERVICES**

Senator Joy A. San Buenaventura, Chair  
Representative Henry J.C. Aquino, Vice-Chair

**COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS**

Representative Jarrett Keohokalole, Chair  
Representative Carol Fukunaga, Vice-Chair

March 20, 2024  
1:00 PM  
Hawaii State Capitol  
Room 225 & Via Videoconference

**Testimony in Support with a Request for an Amendment  
HB 2544, HD1  
RELATING TO MEDICAL TRANSPORTATION**

Establishes within the Department of Health a 2-year pilot project to charter flights from rural islands to an urban island to provide rural island residents with reliable transportation to medical care on urban islands. Appropriates funds. Sunsets 6/30/2026. Effective 7/1/3000

Edward N. Chu  
President & Chief Executive Officer  
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony **in support of HB2544, HD1, Relating to Medical Transportation, with a request for an amendment.**

Emergency aeromedical services or air ambulances play a crucial role in transporting a critically ill patient from the neighbor islands to Oahu for treatment. For those situations where such aeromedical services are necessary, every second counts toward saving lives, and providing more resources for such services are something that our residents on the neighbor islands deserve.

HHSC respectfully requests an amendment to Section 2 (a)(2)(4)(j) to change the definition of "rural island" to have a population of less than 300,000 instead of the current language of less than 10,000.

Thank you for the opportunity to testify in support of this measure.

**LATE**

**HB-2544-HD-1**

Submitted on: 3/19/2024 2:37:43 PM

Testimony for HHS on 3/20/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Zhantell Lindo	Individual	Support	In Person

Comments:

aloha and Mahalo for the opportunity to testify in strong support of HB2544. Rural communities like Molokai will benefit greatly by this legislation.

Mahalo Nui

Zhantell Lindo - Molokai



Dear Senator Keohokalole, Senator San Buenaventura, and Committee Members:

Subject: HB2544 HD1 Relating To Medical Transportation

Aloha my name is Austin Johnsen I am born and raised in Kapolei, Oahu. Thank you for hearing my testimony, I am testifying in support of House Bill 2544. I have seen first-hand the long delays to Molokai and Lanai from Honolulu and Kahului. This bill would be great for the people of Lanai and Molokai to get to their medical appointments.

I have friends from Lanai and Molokai that travel to Oahu the day before their doctor's appointment and rent a hotel room to ensure they make their appointment. After their appointment they would attempt to fly back to Lanai and Molokai but end up staying another night because the flights are delayed to the next day. This is now costing 3 days of work to meet a basic health need.

In Lanai there have been over a dozen deaths potentially due to lack of access to health care. The medical needs must be the first priority. In 2022 after the only medevac provider in Hawaii self-grounded after a horrific accident, the governor sent the air national guard to medevac patients. Medevac flights are an enormous cost, my grandparents were often medevac'd from Hilo airport to Honolulu before they passed. Medevac flights can be prevented by routine doctors' appointments, this could potentially save patients thousands.

I think it is great that Cape Air is looking into flying routes in Hawaii that could potentially serve Molokai and Lanai. However it will take time to bring Cape Air to Hawaii and establish their operation. This bill will ensure medical transportation to and from Lanai and Molokai.

I have been in contact with Angel Flight West, a non-profit group of volunteers that help transport patients to healthcare. Angel Flight flew over 189 flights last year, and 17 flights last month alone. Angel Flight is at capacity for the number of patients they are able to transport. Even before covid when Molokai was served with 3 different airlines, Angel Flight still flew missions around Hawaii to provide medical flights to patients. All pilots at Angel Flight are volunteers and are paying for airplanes out of their own pocket to care for the people of Hawaii. Angel Flight has proven that there is a need to charter aircrafts to transport patients even if another air carrier comes to Lanai and Molokai. The community of Hawaii has tried to fulfill this need and needs support.

Thank you for the opportunity to submit testimony in support of HB2544 HD1.

Sincerely,  
Austin Johnsen

**HB-2544-HD-1**

Submitted on: 3/17/2024 4:43:58 PM

Testimony for HHS on 3/20/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lori Buchanan	Individual	Support	Written Testimony Only

Comments:

In strong SUPPORT....regular and reliable air transportation is critical to our communities on Molokai and Lanai.

Lori Buchanan

Molokai Resident

**HB-2544-HD-1**

Submitted on: 3/16/2024 1:37:54 PM

Testimony for HHS on 3/20/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Younghee Overly	Individual	Support	Written Testimony Only

Comments:

Thank you for this opportunity to submit a testimony in support of HB2544 which would pilot chartering flights from rural islands to an urban island. This would make it easier for the rural island residents to access medical care they need.

**HB-2544-HD-1**

Submitted on: 3/17/2024 1:25:44 PM

Testimony for HHS on 3/20/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Keoni Shizuma	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and members of the committee,

I stand in support of HB2544.

Having generations of family members living on Molokai, I've known of the need to fly between the islands for medical treatments and procedures, often flying to Oahu to visit with medical specialists.

I've also known of the lack of consistency of flying on Mokulele Airlines, which is famous for having long delays and canceled flights. I, and many others, have been victims of this. It is unacceptable and actually detrimental for anyone who has a medical appointment, especially when their health is dependent on these appointments for medical treatments and procedures.

A chartered flight specific to those seeking medical care can possibly provide some consistency and availability for those in need of it, if it means that Molokai and Lanai residents have one less thing to worry about when it comes to their health, then it's the right thing to do.

I hope this bill passes and the pilot program is successful and provides the residents a little relief when it comes to their health.

Mahalo for your time and consideration.

Keoni Shizuma

**HB-2544-HD-1**

Submitted on: 3/18/2024 11:30:00 AM

Testimony for HHS on 3/20/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Betsy Scolnik	Individual	Support	Written Testimony Only

Comments:

strongly support

**HB-2544-HD-1**

Submitted on: 3/18/2024 8:36:14 PM

Testimony for HHS on 3/20/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Karen Holt	Individual	Support	Written Testimony Only

Comments:

I am a resident of Moloka'i and an employer on our island. Our only airline, Mokulele, routinely cancels flights and changes schedules. This is an inconvenience for everyone. But for those who must travel for medical services, it can literally become a life-threatening problem. I personally now a local cancer patient who needs to travel to Honolulu for routine chemotherapy. But his flights were cancelled, or sometimes unavailable, and he ended up having to miss scheduled chemotherapy appointments. His cancer metastasized. We need reliable air transportation for residents in rural areas with limited access to medical specialists, and who must fly to see their doctors. Thank you. Karen Holt

**HB-2544-HD-1**

Submitted on: 3/19/2024 9:08:16 AM

Testimony for HHS on 3/20/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Keomailani Hanapi Hirata	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Keomailani Hanapi Hirata. I come from the island of Molokai.

I am submitting testimony in strong support of HB2544.

Mahalo

**HB-2544-HD-1**

Submitted on: 3/19/2024 11:00:35 AM

Testimony for HHS on 3/20/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Karen Poepoe	Individual	Support	Written Testimony Only

Comments:

Aloha to our Esteemed Legislators,

Reasons for **SUPPORTING** medical transportation for Moloka'i and Lana'i: Out of necessity, Island residents have had to change the way we plan for and travel to meet our critical medical needs. Since having only one airline to serve Moloka'i, passengers with confirmed air reservations have had to regularly and persistently cope with distressing hardships caused by last minute rescheduling, long delays, or outright cancellations- all of which result in appointment cancelations that can require weeks or months of further waiting. In order to avoid this situation, residents will often pay steep out-of-pocket expenses to arrive the day before and stay at a hotel/ rent a car in order to get to their scheduled appointments on time. Some residents don't have this option. Please find us relief by supporting this bill.

Mahalo nui loa, Karen Poepoe



**HB-2544-HD-1**

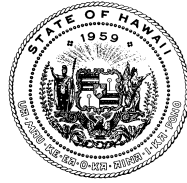
Submitted on: 3/19/2024 11:37:53 AM

Testimony for HHS on 3/20/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Richard Andrew Eckert	Individual	Oppose	Written Testimony Only

Comments:

This is not what rural people need.



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

**LATE**

**Testimony COMMENTING on HB2544 HD1  
RELATING TO MEDICAL TRANSPORTATION.**

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

Hearing Date: March 20, 2024

Room Number: 225

1 **Fiscal Implications:** \$2M general fund appropriation inserted into HB1800 HD1. General  
2 funds allocated for the purpose of this measure are a taxpayer funded subsidy for for-profit  
3 corporations and for health plans contracted with the State of Hawaii.

4 **Department Testimony:** The Department of Health (DOH) provides comments on HB2544  
5 HD1 regarding its feasibility, information on other regulatory tools to improve rural access, and  
6 refinements to the concept as drafted.

7 Many factors contribute to this bill's premise of inconsistent and undependable air transportation  
8 services which include last-minute changes, cancellations, and lengthy delays, such as  
9 maintenance, the weather, and market forces. This proposed pilot may only mitigate market  
10 forces, e.g., cancellation due to unsold seats, to an extent, and amounts to a taxpayer funded  
11 subsidy to monetize fallow air transportation resources.

12 Network Adequacy

13 Hawaii Revised Statutes require that a "health carrier providing a network plan shall maintain a  
14 network that is sufficient in numbers and appropriate types of providers, including those that  
15 serve predominantly low-income, medically underserved individuals, to assure that all covered  
16 benefits will be accessible without unreasonable travel or delay..."

17 A pilot program funded by general funds for medical transportation is a direct subsidy to health  
18 insurance company revenue at taxpayer expense. For Employer-Union Trust Fund beneficiaries,

1 the State is paying twice for health plan network adequacy – the first being the premium and the  
2 second the chartered flight.

3 The proposal to “allow insurance companies to reserve and pay for seats” (page 2, line 11) is not  
4 necessary since health insurance companies may do this of their own accord. This  
5 inappropriately and inefficiently shifts the burden to assure access to healthcare to the State when  
6 there are existing legal standards for health insurance company network adequacy.

7 Although the project shall seek reimbursement from insurers, pilot project costs will not be  
8 recovered due to the lack of negotiated contracts and the nature of health insurance billing and  
9 will not create any new value that could otherwise be created under current circumstances.

10 It should be noted that Medicaid health plans already cover medically necessary transportation  
11 for individuals covered by Medicaid.

#### 12 Additional Staff

13 DOH has no experience or expertise with airline operations, and would require additional staff to  
14 implement, even if contracted out, due to the complexity of health insurance, airlines schedules  
15 and practices, federal regulations, etc. An additional 2.0 FTE is requested: 1 x program  
16 specialist and 1 x accountant if DOH contracts the project out, and a total of 5.0 FTE if  
17 implemented by department staff.

#### 18 Potential Remedies

19 Should the Legislature move forward with this concept, DOH recommends three concepts for  
20 consideration which may be implemented individually or in unison.

21 Concept #1 – Health plan requirement: Enact statute that requires contractors with the State for  
22 health insurance coverage, as a requirement of that contract or as specified in law, to establish  
23 and meet standards for timely off-island healthcare access for members in rural counties. The  
24 private sector may respond by enhancing rates for travelling providers or contracting with

1 airlines for reserved seatings or flights, with medical appointment and flight arrangement  
2 coordinated by internal case management.

3 This is the least burdensome and resource-intensive option for the State of Hawaii and leverages  
4 existing contractual relationships.

5 Concept #2 – State standby reservations: A variation of the pilot proposed in HB2544 HD1 is to  
6 enact statute to implement elements of Concept #1 but overseen by the State, which is to  
7 appropriate funds for a health plan, provider, or authorized third-party entity to book medical  
8 appointment-related flights through a specified corporate account with participating airlines for a  
9 minimum number of seats for a certain number of days per week. This requires competitive  
10 procurement.

11 These seats are reserved for program participants and the airlines will be paid whether the seat is  
12 filled for that flight at a negotiated rate. Reservations may be made by the patient themselves,  
13 with a provider referral or health plan prior authorization, or coordinated by health plan case  
14 management staff.

15 This is the most burdensome regarding State funds already expended on health plan benefits, as  
16 well as civil servant FTE counts.

17 Concept #3 – Task force: Establish a task force via concurrent resolution to consist of health  
18 plans, airline representatives, and patient advocates to identify market-based and regulatory  
19 recommendations to address the shortcoming of commercial airline service to certain islands.

20 Thank you for the opportunity to testify.