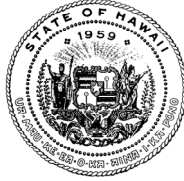


JOSH GREEN, M.D.  
GOVERNOR OF HAWAII  
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII



KENNETH S. FINK, M.D., M.G.A, M.P.H  
DIRECTOR OF HEALTH  
KA LUNA HO'OKOLE

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
KA 'OIHANA OLAKINO  
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**Testimony in SUPPORT of SB 3128 SD2  
RELATING TO ACT 212, SESSION LAWS OF HAWAII 2021**

REPRESENTATIVE DELLA AU BELATTI, CHAIR  
HOUSE COMMITTEE ON HEALTH & HOMELESSNESS

Wednesday, March 13, 2024, 10:00AM, Room 329

1 **Fiscal Implications:** None.

2 **Department Position:** The Department of Health (Department) supports this measure.

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

5 This measure repeals the requirement to transfer the Oahu Regional Health Care System  
6 (Oahu Region) in its entirety from the Hawaii Health Systems Corporation (HHSC) to the  
7 Department.

8 The Department strongly supports this measure and supports the Oahu Region  
9 remaining under the HHSC with its own program ID.

10 On December 30, 2021, the Department submitted a report to the Legislature that  
11 included a consultant's assessment of the transition plans and associated costs of incorporating  
12 the Oahu Region into the Department. The report included a 5-year operating budget pro-  
13 forma and a 10-year Capital Improvement Plan. The report detailed the complexity of the  
14 transition, the associated cost, and the estimated timeline. The transition cost was estimated at  
15 **\$10.3 million** with an annual post-transition cost of \$5 million.

16 The Department believes that the intended goals of the transfer can still be achieved  
17 without a costly transition. For example, the Department already rents space from the Oahu  
18 Region on the Leahi Hospital campus for three of its programs through Memorandums of

1 Understanding. The Department is interested in additional space and will continue to work  
2 collaboratively with the Oahu Region for any useable space they identify within their facilities.

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

4 **Suggested Amendments:** The Department respectfully requests a clean effective date for this  
5 measure.



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

*"Quality Healthcare For All"*

**COMMITTEE ON HEALTH & HOMELESSNESS**  
**Representative Della Au Belatti, Chair**  
**Representative Jenna Takenouchi, Vice-Chair**

March 13, 2024  
10:00 AM  
Hawaii State Capitol  
Room 329 & Via Videoconference

**Testimony in Support of SB 3128, SD2**  
**RELATING TO ACT 212, SESSION LAWS OF HAWAII 2021.**

Repeals the requirement to transfer the O'ahu Regional Health Care System from the Hawai'i Health Systems Corporation to the Department of Health. Repeals certain changes to the Hawai'i Revised Statutes that were made by Act 212, SLH 2021. Requires the O'ahu Regional Health Care System to enter into an agreement with the Department of Health regarding O'ahu Regional Health Care System taking care of low acuity patients in the Department's custody by the end of 2024.

Edward N. Chu  
President & Chief Executive Officer  
Hawai'i Health Systems Corporation

On behalf of the Hawai'i Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony in **support of SB 3128, SD2**.

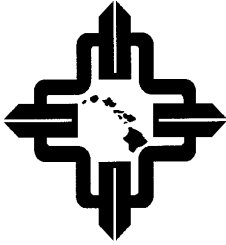
In 2021, when this Legislature passed Act 212, the HHSC O'ahu Region's facilities were viewed as potential sites to assist the Department of Health with addressing the gap in the behavioral health care system between acute psychiatric care facilities and low acuity residential treatment with the idea to utilize Le'ahi Hospital and Maluhia as subacute level of care facilities.

In the time since its passage, there is a broader, better understanding of the constraints and costs this idea posed. Additionally, O'ahu Region has worked with community partners towards fulfilling the general intent of Act 212, while remaining within the HHSC structure.

HHSC is supportive of the O'ahu Region's desire to remain with HHSC through the repeal of Act 212, Session Laws of Hawai'i. HHSC is also supportive of the

amendments in the S.D.2 version of this measure which repeals operational mandates that were a substantive part of Act 212, Session Laws of Hawai'i, as amended by Act 150 of Session Laws of Hawai'i, 2022, but still ensures that the O'ahu Region can retain its designated program ID.

Thank you for the opportunity to provide testimony on this matter.



# OAHU REGION HAWAII HEALTH SYSTEMS CORPORATION

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**Committee on Health and Homelessness  
Representative Della Au Belatti, Chair  
Representative Jenna Takenouchi, Vice-Chair**

March 13, 2024, 10:00 A.M.  
Via Video Conference  
Conference Room 329  
Hawaii State Capitol

Sean Sanada  
Oahu Region Chief Administrative Officer  
Hawaii Health Systems Corporation

**Re: Testimony in Support**

SB 3128, SD2 RELATING TO ACT 212, SESSION LAWS  
OF HAWAII 2021

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Chair Belatti, Vice-Chair Takenouchi, and Members of the Committee on Health and Homelessness:

SB 3128, SD2 repeals Act 212, Session Laws of Hawaii 2021, as amended by Act 150, Session Laws of Hawaii 2022 (hereinafter, "Act 212") and requires the Oahu Regional Health Care System (hereinafter, "Oahu Region") to enter into an agreement with the Department of Health (hereinafter, "DOH") regarding the Oahu Region taking care of low acuity patients in the DOH's custody by the end of 2024.

The Oahu Region supports SB 3128, SD2 because completing and maintaining the transition will come at a very high perpetual cost with no net gain in services for the community. Moreover, through collaborative efforts with other government and health care agencies, the Oahu Region has already been able to address some of the primary aims of Act 212 by fully utilizing the available spaces on its campuses with services that address behavioral health and substance use treatment, homelessness, and waitlisted patients in our local acute facilities.

## **High Costs to Complete Transition and Maintain Operations with no Gain in Additional Services**

- Act 212 provides for the transition of the Oahu Region from the Hawaii Health Systems Corporation ("HHSC") into the Department of Health ("DOH").
- Upon its passage, a working group comprised of directors, deputy directors, supervisors, and staff from all impacted jurisdictions and departments determined that it would take at least two and a half years to reasonably complete the transition at an estimated cost of \$10.3 million. An additional \$5 million per year (not including the Oahu Region's annual subsidy requirements) would also be necessary to maintain operations.

- Under the foregoing framework, the funding invested would only cover the costs to place the Oahu Region and its facilities under the DOH, and not provide for any additional public services.
- Given the dilapidated state of many unused areas on the Leahi Hospital campus, the Oahu Region believes that the transition and maintenance funding could be more strategically utilized for capital improvements to open the campus up for more public benefit and revenue generating initiatives.

### **All Usable Spaces in the Oahu Region Are or Will Be Appropriately Utilized**

- One of the primary reasons for Act 212 was to grant the DOH additional infrastructure and resources in the Oahu Region's facilities to assist the DOH in addressing the gap in the behavioral health care system between acute psychiatric care facilities and low acuity residential treatment.
- While funding for the transition was pending, however, the Oahu Region actively engaged with the DOH and other agencies and managed to fill all of the usable spaces on the Leahi Hospital campus and develop plans for the usable space at Maluhia in a manner that is consistent with the aims of Act 212 and other community needs.
- First, the Palekana behavioral health program in Leahi Hospital's North Trotter Building, which started in December 2019 as a pilot project to provide residential mental health and substance use treatment for DOH Adult Mental Health Division ("AMHD") patients who would otherwise likely be treated at the Hawaii State Hospital or other higher cost facilities, was expanded from its initial six (6) beds to its current capacity of 28 beds. Based on calculations made by AMHD, the Palekana program at Leahi yields the DOH estimated annual savings of over \$15 million in comparison to housing such participants at other facilities.
- Second, the Oahu Region worked with the DOH Hansen's Disease Branch to move its residents from the South Trotter Building to an open unit in the Young Building where all of Leahi Hospital's long-term care residents reside. In turn, we partnered with the City and County of Honolulu (hereinafter, "City"), Emergency Medical Services Department ("EMS") and Queen's Medical Center ("QMC") for a medical respite facility in the newly vacated space. The program, which is slated to begin operations by the end of April 2024, will be managed by the City's Crisis Outreach Response and Engagement ("CORE") branch and is intended to house lower acuity hospital patients and homeless individuals in need of medical care. The program will be supported by QMC through the provision of psychiatric and other clinical services. The Oahu Region will also support the program with dietary and general maintenance services. We are hopeful that this project will help increase bed availability at local hospitals for acutely ill patients and effectively assist in transitioning the program's residents back into the community or to an appropriate step-down facility.
- Finally, at the Oahu Region's other facility, Maluhia, we have developed a pilot program with QMC to fill the only open unit with waitlisted patients who have not been accepted by other long-term care facilities due to financial and logistical limitations such as lack of guardianship and other Medicaid prohibitive circumstances. Thus far, we have admitted seven (7) waitlisted patients. Through the continuing success of our recruitment efforts, we believe that we will be able to steadily increase the number of our staffed beds and admit more waitlisted patients from both QMC and other local hospitals.

With respect to the requirement that the Oahu Region enter into an agreement with the DOH regarding the Oahu Region taking care of low acuity patients in the DOH's custody by the end of 2024, the Oahu Region continues to be amenable to placing, where appropriate, patients from the DOH or other agencies into the various programs operating in our facilities. Over the past several years, the Oahu Region has developed a very collaborative working relationship with the DOH. As such, whether

through a formal agreement or otherwise, it is the Oahu Region's intent to continue assisting the DOH and other related agencies in fulfilling their obligations to the community.

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

**SB-3128-SD-2**

Submitted on: 3/12/2024 7:55:35 AM

Testimony for HLT on 3/13/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
William Clayton Sam Park	Individual	Support	Written Testimony Only

Comments:

I support this bill in support for the veterans on Mau'i.  
William C.S.PARK