

JOSH GREEN
GOVERNOR
KE KIA'ĀINA



STATE OF HAWAII
DEPARTMENT OF DEFENSE
KA 'OIHANA PILI KAUA
OFFICE OF THE ADJUTANT GENERAL
3949 DIAMOND HEAD ROAD
HONOLULU, HAWAII 96816-4495

KENNETH S. HARA
MAJOR GENERAL
ADJUTANT GENERAL
KA 'AKUKANA KENELALA

STEPHEN F. LOGAN
BRIGADIER GENERAL
DEPUTY ADJUTANT GENERAL
KA HOPE 'AKUKANA KENELALA

TESTIMONY ON HOUSE BILL 2793
RELATING TO THE OAHU REGIONAL HEALTH CARE SYSTEM, HAWAII HEALTH
SYSTEMS CORPORATION
BEFORE THE HOUSE COMMITTEE ON HEALTH AND HOMELESSNESS

BY
BG BRUCE E. OLIVEIRA, USA, RETIRED
INTERIM DIRECTOR OF HAWAII OFFICE OF VETERN SERVICES

JANUARY 29, 2024

Aloha Chair Belatti, Vice-Chair Takenouchi, and members of the committee:

I am Bruce Oliveira, Interim Director of Hawaii Office of Veterans Services, State of Hawaii, Department of Defense.

The Department of Defense (DOD) provides written testimony in **SUPPORT** of HB 2793.

Hawaii Veterans served our country and state at great personal and family cost. Now we need to provide for their long-term care. There are approximately 100,000 Veterans in the State of Hawaii, of which 41,000 are aged 65 and older. Veterans Affairs authorized 268 beds for Hawaii's State Veteran Homes (SVH). Our first SVH on Hawaii Island has 95 beds. The second SVH on Oahu has 120 beds. There is currently no SVH to serve the 7,500 veterans on Maui, and we still have additional SVH beds authorized for use.

The benefits of a Maui SVH include creation of jobs, development of training programs in collaboration with the University of Hawaii Maui College, a significant increase to Maui's long-term care (LTC) bed capacity, and reduction of the acute care facility "wait list" at Maui Memorial Medical Center. Moreover, the Maui SVH will bring a new source of Federal revenue and will ultimately be a self-sustaining operation with no annual state subsidy required. The Maui SVH Project will also support four major health services and facilities plan goals. First, focus on increasing cost-effective access to necessary health care services. Second, promote the financial viability of the health care delivery system. Third, encourage optimization of services and expensive technology by ensuring that supply meets the need and costs are reasonable. Fourth, promote regionalization of services where appropriate.

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The construction of the Maui SVH is currently being undertaken by our department. However, the DOD does not have the medical expertise for continued operational oversight of a LTC facility, and there is no longer a viable Maui Region, Hawaii Health System Corporation (HHSC) state entity capable of providing oversight of a 3rd SVH. Furthermore, the Oahu Region, HHSC currently does not have authority under Act 262 to oversee operations of a healthcare facility in another HHSC region.

This proposed transfer of the Maui SVH to the Oahu regional HHSC is a critical step towards submission for construction of the Maui SVH to the State legislature in 2025.

I urge you to support this proposal and invest in the long-term care of our veterans. Hawaii Veterans deserve the best possible healthcare and services available.

Thank you for the opportunity to provide testimony in **SUPPORT** on HB 2793.

Bruce Oliveira, Bruce.e.oliveira@hawaii.gov, 808-672-1260



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

January 31, 2024
10:15 am
Hawaii State Capitol
Room 329 & Via Videoconference

Supporting the Intent of HB 2793
RELATING TO THE MAUI VETERANS HOME

Requires the transfer of the Maui State Veterans Home to the Oahu Regional Health Care System and then to the Department of Health, as part of the Oahu Regional Health Care System transfer pursuant to Act 212, Session Laws of Hawai'i 2021.

Edward 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 to **support the intent of HB 2793, Relating to the Maui Veterans Home.**

Should it be the will of the Legislature to pass this measure, we respectfully request the following amendment be included to statutorily allow for the inclusion of the Maui State Veterans home into the Oahu regional health care system by amending Section 323F-2(b)(1), Hawaii Revised Statute with the following language:

“(b) The corporate organization shall be divided into five regional systems, as follows:
(1) The Oahu regional health care system which may include the State Veterans home on Maui;”

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



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Second Legislature, State of Hawaii
The House of Representatives
Committee on Health and Homelessness

Testimony by
Hawaii Government Employees Association

January 31, 2024

H.B. 2793 — RELATING TO THE MAUI VETERANS HOME

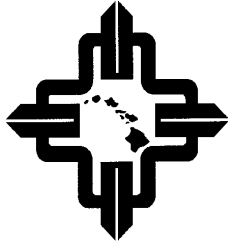
The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of H.B.2793, which requires the transfer of the Maui State Veterans Home to the Oahu Regional Health Care System and then to the Department of Health, as part of the Oahu Regional Health Care System transfer pursuant to Act 212, Session Laws of Hawai'i 2021.

The Hawaii Government Employees Association raises serious questions and concerns about this measure. For decades, Maui stakeholders, including Maui Legislators, have been outspoken proponents about keeping Maui based health facilities under the jurisdiction of their island. And quite frankly, we don't think Maui stakeholders and community members want another island to dictate what they can and cannot do. The HHSC Maui Regional Board still exists and can be charged with this responsibility, or the Maui Veterans home can be directly transferred and fall under the jurisdiction of the State Department of Health. So why would a state-run Maui Veterans home be transferred and fall under the jurisdiction of the Oahu Regional Health Care system? This proposal is illogical and fails the smell test and accordingly we urge that it be filed.

Thank you for the opportunity to provide testimony in opposition of H.B. 2793.

Respectfully submitted,

Randy Perreira
Executive Director



OAHU REGION HAWAII HEALTH SYSTEMS CORPORATION

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

January 31, 2024, 10:15 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 of Intent

HB 2793, Relating to the Maui Veterans Home

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

HB 2793 requires the transfer of the Maui State Veterans Home to the Oahu Regional Health Care System (hereinafter, "Oahu Region") and then to the Department of Health, as part of the Oahu Region transfer pursuant to Act 212, Session Laws of Hawaii 2021.

The Oahu Region recognizes that, despite the high need, there is currently no state veterans home on the island of Maui to provide long-term care services for their veteran community. The Oahu Region further recognizes that management, operation, and staffing of the Maui state veterans home should be placed under a state agency with the expertise to manage a long-term care facility. Given that the Maui Regional Healthcare System – following the transition of its main facilities to a private operator – no longer possesses the resources to assume the required responsibilities for a new facility on the island, the Oahu Region supports the intent of HB 2793 with the following reservation.

As you are aware, construction of the Daniel K. Akaka State Veterans Home on Oahu is anticipated to be completed in March 2024. While much time and effort has gone into operational planning and construction support, we have yet to fully grasp the magnitude of our responsibilities in regard to this venture and the actual resources that will be required to successfully manage a new veterans home. Spurred by the importance of the planned veterans home to the Maui community, however, the Oahu Region is willing to assume the obligations of this undertaking if HB 2793 becomes law. We only ask for the legislature's understanding and support through what we anticipate will be another challenging project with many unforeseen legal and logistical issues.

The Oahu Region concurs with the amendments to Haw. Rev. Stat. Chapter 323F that have been recommended by the Corporation.

Thank you for the opportunity to provide testimony on this important measure.

TESTIMONY ON HOUSE BILL 2793
A BILL RELATING TO THE MAUI VETERANS HOME

PRESENTATION TO
HOUSE COMMITTEE ON HEALTH AND HOMELESSNESS

BY

Thomas M. Driskill, Jr
COL, USA, MSC (Ret)
698 Kaulana Place
Honolulu, Hawaii
96821

January 31, 2024

10:15 AM

Chair. Della Au Belatti, Vice Chair Jenna Takenouchi and Members of the Committee

I am Tommy Driskill and I am testifying in strong **SUPPORT** of HB 2793, Relating to the Maui Veterans Home.

Based upon my past years of experience as President/CEO, Hawaii Health Systems Corp (HHSC) Aug 1997 to Dec 2009, during which time I oversaw the planning, construction, opening and initial operation of the Yukio Okutsu State Veterans Home, Hilo and my work over the past two years and nine months overseeing construction of the Daniel K. Akaka State Veterans Home (DKA SVH), Kapolei for the Director, Office of Veterans Services, DOD, SOH, I feel uniquely qualified to strongly **SUPPORT** this legislation.

In 2021/2022, The Department of Defense (DOD) worked hard to align the DKA SVH under their administration with a goal of ultimately providing oversight of a contracted manager once the new facility was operationalized. Moving through that process, DOD determined they had **NEITHER** the medical expertise for continued operational oversight of a long-term care facility, **NOR** the legal flexibility to contract, administer and provide operational oversight for a long-term care facility. Additionally, DOD lacked legislative authority to create 501-c3 tax-free structures like HHSC. Faced with this challenging situation, Representative Brian Yamane, District 19, introduced HB 1893 to the 2022 legislature. Recognizing the need for proper contract management oversight, this bill mandated ownership transfer of the DKA SVH from DOD to the Oahu Region, HHSC not later than June 30, 2023. The 2022 legislature passed the bill as HB 1893 HD1, SD2 CD1 and it was later signed into law by Governor David Ige as ACT 285 Session Laws of Hawaii 2022. Without this transfer of oversight authority, the DKA SVH would never have become a reality, but thanks to legislative intervention, our 120 bed Long-Term Care facility in Kapolei for Veterans, their spouses and Gold Star parents is now 98% complete w beneficial occupancy certification projected in February 2024, furniture and equipment delivery beginning in March 2024 and initial patient intake to begin in Summer 2024.

In addition to our 1st SVH, a 95 bed facility in Hilo, our new 2^D SVH, a 120 bed facility in Kapolei, will help meet our Veterans and community long term care needs, but a greater need still exists especially on our neighbor islands with particular emphasis on Maui. Accordingly, the Office of Veterans Services, DOD, SOH submitted a pre-application to the Veterans

Administration Office of State Veterans Homes in March, 2023 for a 3D SVH to be located on Maui. That pre-application was accepted in April, 2023 and is under continuing review. The 3D SVH, Maui is scoped to be a 60 bed, 82,500 sq ft facility, costing approximately \$95M with construction cost to be approximately shared 35% State and 65% Federal.

Today we face basically the same situation on Maui that we faced with DKA SVH on Oahu in that DOD has neither the medical expertise nor the authority to contract, administer and provide operational oversight for a long-term care facility on Maui. Further exacerbating the situation is the fact that there is no longer a viable Maui Region, HHSC state entity capable of providing oversight so another state agency must step into the void. The legislation we are strongly supporting herein will establish authority so that operation of a 3D SVH Maui can be properly overseen by the State Agency best equipped to provide this oversight ie Oahu Regional Health Care System, HHSC.

In order to prepare to ask our Governor to submit to our State legislature a request in 2025 for our \$35M State match portion of the 3D SVH Maui construction cost, two things much be accomplished this year:

- We must put in place legislative authority so that proper contact management oversight can be provided for operation of a 3D SVH Maui.
- We must identify state land on Maui where our new facility can be constructed. This effort is on-going as we speak.

If we fail to accomplish either of these two tasks this year, then at a minimum, this project will be set back at least another year best case. When we point out that under the most optimal circumstances, if all approvals can be obtained in a timely fashion, the very earliest we could hope to open our 3D SVH Maui for patient intake would be CY 2029 and more likely it would be CY 2030. So adding another year to this already arduous process would result in simply further delaying sorely needed care for our most deserving Veterans, their spouses and Gold Star parents.

Thank you for your consideration of this important legislation which we strongly support on behalf of both our Maui Veterans and our State-wide Hawaii Veterans, their families and our Gold Star Parents.

Thomas M Driskill Jr
COL, USA, MSC (Ret)
tmdriskill@gmail.com
808-499-9917

HB-2793

Submitted on: 1/29/2024 3:04:01 PM

Testimony for HLT on 1/31/2024 10:15:00 AM

Submitted By	Organization	Testifier Position	Testify
David Fukuzawa	Individual	Support	Written Testimony Only

Comments:

Dear Honorable Legislative Representative,

I am in support of HB2793

Sincerely,

David Fukuzawa.