



**LATE**

**STATE OF HAWAII**  
STATE COUNCIL  
ON DEVELOPMENTAL DISABILITIES  
1010 RICHARDS STREET, Room 122  
HONOLULU, HAWAII 96813  
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543  
January 29, 2024

The Honorable Senator Joy A. San Buenaventura, Chair  
Senate Committee on Health and Human Services  
The Thirty-Second Legislature  
State Capitol  
State of Hawai'i  
Honolulu, Hawai'i 96813

Dear Senator San Buenaventura and Committee Members:

SUBJECT: SB2462 RELATING TO HEALTH

The Hawaii State Council on Developmental Disabilities **SUPPORTS SB2462**, which amends the functions of the State Health Planning and Development Agency. Declares that the general fund expenditure ceiling is exceeded. Establishes positions. Makes an appropriation

The purpose of the State Health Planning & Development Agency (SHPDA) is to “promote accessibility for all the people of the State to quality health care services at reasonable cost.” We support legislation to upgrade SHPDA’s healthcare oversight capability. We defer to SHPDA for comments and recommendations.

Thank you for the opportunity to submit testimony in **support of SB2462**.

Sincerely,

Daintry Bartoldus  
Executive Administrator



**STATE HEALTH PLANNING  
AND DEVELOPMENT AGENCY**  
DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

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

**KENNETH S. FINK, MD, MGA, MPH**  
DIRECTOR OF HEALTH  
KA LUNA HO'ŌKELE

**John C. (Jack) Lewin, M.D.**  
ADMINISTRATOR

1177 Alakea St., #402, Honolulu, HI 96813 Phone: 587-0788 Fax: 587-0783 www.shpda.org

**LATE**

**Senate Committee on Health and Human Services**

**S.B. 2462 Relating to the State Health Planning and Development Agency**

**Testimony of John C. (Jack) Lewin, M.D.**  
**SHPDA Administrator**

**Monday, January 29, 2024**  
**1:00 p.m.**

1 **Agency's Position: SUPPORT**

2 **Fiscal Implications:** None

3 **Purpose and Justification:** The purpose of SB 2462 is to modernize SHPDA through  
4 amendments to HRS Section 323 D-2 to become Hawai'i's health care oversight agency to  
5 monitor and assure universal access to high-quality, equitable, and affordable health and long-  
6 term care services for all of Hawai'i's citizens. Hawai'i currently largely lacks but requires this  
7 oversight capability. SHPDA strongly supports this bill.

8 To accomplish the goals of SB 2462, SHPDA must have the ability to acquire, analyze,  
9 and share broadly with the health sector comprehensive, valid, and current data to enable  
10 monitoring and improvement of Hawai'i's statewide health status, health outcomes, and cost-  
11 effectiveness for health and long-term care services. This will also require SHPDA to apply  
12 such data in collaboration with both public and private health and long-term care providers and  
13 payers to systematically improve primary care and specialty access; focus on prevention;  
14 assure equitable outreach to underserved, disadvantaged, and rural populations; reduce

1 workforce deficiencies; and improve quality of care, outcomes, and cost-effectiveness for  
2 health and long-term care services.

3 SHPDA was apparently statutorily created for these purposes in 1975 with a large  
4 budget and staff of 65 but has for the past three decades been funded and staffed only with 6  
5 positions to periodically produce a State Health Services and Facilities Plan and to manage the  
6 state Certificate of Need (CON) program. SHPDA receives health provider and community  
7 input for these purposes through its statewide advisory councils and the State Health  
8 Coordinating Council (SHCC). The SHPDA Administrator is appointed by and reports to the  
9 Governor, but the agency is administratively attached to and works closely with the DOH. The  
10 DOH, DHS, SHPDA, the Insurance Commissioner, and other state agencies with health-  
11 related functions have conferred recently about the need for health care (and long-term care)  
12 oversight functions, and it was felt that SHPDA, which provides no health or long-term care  
13 services itself, can become an unconflicted and effective source of these oversight  
14 responsibilities if staffed to do so. This was considered also in light of the Governor's desire to  
15 reinvigorate the "Hawai'i the Health State" vision in the recruitment of a new SHPDA  
16 Administrator, and in consideration of potentially attracting federal assistance in these regards.

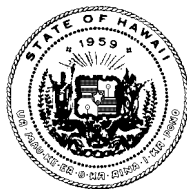
17 Under SHPDA's statutory authority, this legislature has in previous years required that  
18 all insurers in Hawaii provide the agency with the claims data of all health care provided for  
19 beneficiaries of Medicaid, Medicare, and the EUTF through Hawai'i's All-Payer Claims  
20 Database (APCD). In contractual collaboration with Med-QUEST and the UH, the APCD  
21 already has the data of one million out of 1.4 million residents under privacy-assured de-  
22 identified management. With potential collaboration with the databases of the Healthcare  
23 Association of Hawai'i and the Hawai'i Health Information Exchange, the state can be well on  
24 our way as a state to having the data resources needed.

1           We recommend amendments of adding “and long-term” between the words “health” and  
2 “care” to read “health and long-term care” in Section 1a item 1 (line 2 page 2), and make the  
3 same change from “health care” to “health and long-term care” in Section 1a Item 2 (line 14  
4 page 2), Section 1a Item 5 (line 18 and line 20 page 3), and section 1b Item 1 (line 2 page 4).

5           We acknowledge that while SHPDA currently has access to facility and staffing data for  
6 long-term care facilities statewide, access to related cost data may be required later if not  
7 readily available for these purposes in the future. We also acknowledge that 10 states have  
8 begun creating “total-costs-of-care” global budgets for their respective states to monitor  
9 increases in health care costs, and that the federal government may be offering technical  
10 assistance for states who wish to accomplish this important means of tracking health care (and  
11 long-term care) costs to assure ongoing affordability of health care for families, businesses,  
12 and government. We appreciate the inclusion of this function in SB 2462 and look forward to  
13 implementing it.

14           Finally, mahalo nui loa for the opportunity to testify.

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

January 27, 2024

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

FROM: Cathy Betts, Director

SUBJECT: [SB 2462](#) - RELATING TO THE STATE HEALTH PLANNING AND DEVELOPMENT AGENCY.

Hearing: January 29, 2024, 1:00 PM  
Conference Room 225 & Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports the bill and defers to the State Health Planning and Development Agency (SHPDA) on implementation and resource needs, as well as to which of the similar bills (SB 2285, SB 2918) is preferred.

**PURPOSE:** This measure expands the role of the State Health Planning and Development Agency (SHPDA) to promote universal health care access, and improve health care quality, costs, benefits, affordability, workforce, reimbursement, administrative simplification, and health information technology; and develop a total cost of care state global budget no later than 2027 and annually thereafter. Appropriates funds. Adds eight (8) positions to SHPDA. Effective July 1, 2024.

DHS appreciates the Legislature's continued investment in and attention to improving the affordability and quality of healthcare. SHPDA's efforts at a statewide level will complement and augment efforts by DHS to improve access, cost, and quality of care for Medicaid beneficiaries.

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



January 29, 2024

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

Re: SB 2462 – RELATING TO THE STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY

Dear Chair San Buenaventura, Vice Chair Aquino, and Members of the Committee:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to provide testimony in support of SB 2462, which will appropriate the function of the State Health Planning and Developmental Agency (SHPDA) within the Department of Health as well as provide positions and funding.

HMSA supports the efforts of the State Health Planning and Development Agency (SHPDA) in ensuring the needs of the community are evaluated and met. With several bills looking to achieve the intended outcome of further clarifying SHPDA's role within the department of health (SB2918, SB2462, and SB2285), we would respectfully ask that the language from SB2285 be adopted as the vehicle due to clarity and conciseness.

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

Sincerely,

Dawn Kurisu  
Assistant Vice President  
Community and Government Relations

January 29, 2024

**To: Chair San Buenaventura, Vice Chair Aquino, and Members of the House Committee on Health and Human Services**

From: The Hawaii Association of Health Plans Public Policy Committee

Date/Location: Jan. 29, 2024; 1:00 p.m./Conference Room 225 & Videoconference

**Re: Testimony in support of SB 2462 – Relating to State Health Planning and Development Agency.**

The Hawaii Association of Health Plans (HAHP) supports SB 2462. HAHP is a statewide partnership that unifies Hawaii’s health plans to improve the health of Hawaii’s communities together. A majority of Hawaii residents receive their health coverage through a plan associated with one of our organizations.

All of HAHP’s member organizations agree that Hawaii needs to increase access to high-quality, equitable, and affordable health care, which is why we support the appropriation of funding for the State Health Planning and Development Agency. By giving SHPDA the ability to establish additional positions, the agency will be better equipped to provide leadership and coordinate efforts across Hawaii’s health care delivery system.

Thank you for the opportunity to testify in support of SB 2462.

Sincerely,

HAHP Public Policy Committee

cc: HAHP Board Members

**SB-2462**

Submitted on: 1/26/2024 5:14:59 PM

Testimony for HHS on 1/29/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Francis Chan	Testifying for Hawaii Health Information Exchange	Support	Written Testimony Only

Comments:

Aloha,

My name is Francis Chan. As the Chief Executive Officer of Hawaii Health Information Exchange, my organization supports the intent and the content of SB2462.

The State of Hawaii needs an agency to serve the purposes outlined in the bill to advance universal care, improve care outcome and address health inequities that are negatively affecting the low income and underserved communities. SHPDA under Department of Health can serve the function and should be funded to take action.

Mahalo for considering my testimony!





**Testimony to the Senate Committee on Health and Human Services  
Monday, January 29, 2024; 1:00 p.m.  
State Capitol, Conference Room 225  
Via Videoconference**

**RE: SENATE BILL NO. 2462 – RELATING TO THE STATE HEALTH PLANNING AND DEVELOPMENT AGENCY.**

Chair San Buenaventura, Vice Chair Aquino, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 2462, RELATING TO THE STATE PLANNING AND DEVELOPMENT AGENCY.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This bill, as received by your Committee, would update the functions and duties of the State Health Planning and Development Agency (SHPDA), establish full time equivalent positions with SHPDA; and appropriate an unspecified amount of general funds for fiscal year 2024-2025.

**We note that this measure is substantively similar to other measures on this agenda, Senate Bill No. 2285 and 2918.**

Chapter 323D, Hawaii Revised Statutes (HRS), the Health Planning and Resources Development and Health Care Cost Control Law, was enacted to promote accessibility for all the people of the State to quality health care services at reasonable costs. [See, Section 323D-1, HRS.] Among other things, this law establishes the State Health Planning and Development Agency [See, Section 323D-11, HRS.], Subarea Health Planning Councils [See, Chapter 323D, Part III, HRS.], and a certificate of need process that is intended to ensure that any new facility or expansion of an existing facility be evaluated on its probable impact on health care costs. [See, Section 323D-44, HRS.]

This law makes explicit that:

*". . . No person, public or private, nonprofit or for profit, shall:*

- (1) Construct, expand, alter, convert, develop, initiate, or modify a health care facility or health care services in the State that requires a total capital expenditure in excess of the expenditure minimum;*
- (2) Substantially modify or increase the scope or type of health service rendered; or*
- (3) Increase, decrease, or change the class of usage of the bed complement of a health care facility or relocate beds from one physical facility or site to another;*

*unless a certificate of need therefor has first been issued by the state agency." [See, Section 323D-43, HRS.]*

The HPCA asserts that Chapter 323D, HRS, is essential public policy because it requires the State to evaluate the need for health care within an area based on the financial impact to residents and communities. To the extent that this bill reaffirms this important public policy and clarifies the roles and responsibilities of SHPDA to fulfill this purpose, the HPCA wholeheartedly supports this measure.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or [eabe@hawaiiipca.net](mailto:eabe@hawaiiipca.net).



**Monday, January 29, 2024 at 1:00 pm**  
**Conference Room 225**

**Senate Committee on Health and Human Services**

To: Chair Joy A. San Buenaventura  
Vice Chair Henry J.C. Aquino

From: Paige Heckathorn Choy  
Associate Vice President, Government Affairs  
Healthcare Association of Hawaii

Re: **Comments**  
**SB 2462, Relating to the State Health Planning and Development Agency**

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the healthcare continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 30,000 people statewide.

Thank you for the opportunity to provide **comments** on this measure, which seeks to modify certain functions of the State Health Planning and Development Agency (SHPDA) and add full-time employees to carry out the goals outlined in the measure.

The full comments shared in our testimony for SB 2918 also apply to this measure. We would reiterate our strong suggestion that multiple provider groups be invited to participate in the creation and advisement of a global state budget for healthcare costs as envisioned in Section 1(a)(5) on page 3. This could include HAH, various physician groups (e.g., independent physicians associations), the federally qualified health centers (FQHCs), and behavioral health providers, and others as deemed needed to provide a fuller picture of the needs of healthcare providers in the state.

Thank you for your consideration of our comments, and for your attention to the continuing needs of providers as we look towards the future of healthcare.

**SB-2462**

Submitted on: 1/26/2024 4:39:13 PM

Testimony for HHS on 1/29/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Katherine F Davis	Individual	Support	Written Testimony Only

Comments:

I wholeheartedly support this bill to continue the much needed work of SHPDA.

**SB-2462**

Submitted on: 1/27/2024 9:01:59 AM

Testimony for HHS on 1/29/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Beth Giesting	Individual	Support	Written Testimony Only

Comments:

January 27, 2024

To: The Hon. Joy A. San Buenaventura, Chair, and members Senate Committee on Health & Human Services

From: Beth Giesting

Re: **Support for Senate Bills 2918, 2462, and 2285**

Thank you for the opportunity to support **Senate Bills 2918, 2462, and 2285**, all of which would substantially improve the functions of Hawai‘i’s State Health Planning & Development Agency (SHPDA). The cost of health care has continued to rise faster than other costs, and the availability of services is often limited for residents of rural areas as well as uninsured people and those covered by both Medicare and Medicaid (Med-QUEST in Hawai‘i). Accordingly, it is incumbent upon the State to do more to plan for and regulate, as necessary, health care services and the cost of care. The changes proposed for SHPDA in these bills are necessary to build this capacity in Hawai‘i, allowing us to join a number of other states that have already created such authorities.

I ask the committee to amend whichever bill moves forward to include in the definition of “health care” (Section 1 (a) (1), page 2, starting on line 1 in SB 2918 and SB 2462, and Section 1, page 1, starting on line 4 in SB 2285) an **explicit reference to oral health (or dental care), and to behavioral health care**, which may include treatment for substance use disorders as well as mental illnesses. While both oral and behavioral health care are essential to good health, services are often even more difficult to obtain across Hawai‘i than medical care and are frequently prohibitively expensive for consumers.

Mahalo for the opportunity to testify.

**SB-2462**

Submitted on: 1/27/2024 4:30:24 PM

Testimony for HHS on 1/29/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Wesley Sumida	Individual	Support	Written Testimony Only

Comments:

*To the Honorable Chair San Buenaventura, Vice Chair Aquino and members of the Health and Human Services Committee*

My name is Wesley Sumida and I am the Chair of the Statewide Health Coordinating Council's (SHCC) Plan Development Committee (PDC) and a member of the Honolulu Subarea Health Planning Council (HONSAC). I appreciate the opportunity to offer my testimony as an individual in **strong support** of SB 2462, relating to the State Health Planning and Development Agency.

Through my experiences within the PDC and HONSAC, I have come to further appreciate the value that SHPDA brings to improving health within our State.

Thank you for this opportunity to testify.

Sincerely,

Wesley Sumida