



STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
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Testimony in SUPPORT of HB716 HD1
RELATING TO HEALTH.

REPRESENTATIVE KYLE YAMASHITA, CHAIR
HOUSE COMMITTEE ON FINANCE

Hearing Date/Time: February 21, 2025; 2:00 PM

Room Number: 308

- 1 **Fiscal Implications:** Appropriates general funds for the Health Information Technology
- 2 Infrastructure Grant Program.
- 3 **Department Testimony:** The Department of Health (DOH) supports HB716 HD1 provided that
- 4 its passage does not replace or adversely impact priorities indicated in our Executive Budget.
- 5 DOH recognizes that significant resources are needed to support a certified, hosted, and
- 6 maintained health information technology infrastructure and implement interoperable health
- 7 information technologies.
- 8 **Offered Amendments:** N/A
- 9 Thank you for the opportunity to testify on this measure.



**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'OKELE

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ADMINISTRATOR

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February 20, 2025

To: House Committee on Finance
Representative Kyle Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair; and
Honorable Members

From: John C (Jack) Lewin MD, Administrator, SHPDA

Re: HB 716 Relating to Health: Establishing the Health Infrastructure Grant Program within the Department of Health to be administered by the SHPDA

Testimony:

It is critically important to provide electronic interoperability for care coordination, administrative and clinical efficiency, and quality improvement for those health care entities in Hawai'i that lack such capabilities today, and which hampers their ability to improvement population health, health outcomes, and health care services across the state.

Over 75% of Hawaii's hospitals, clinics, and physician practices statewide have adopted a common electronic health record system statewide, but federally qualified health centers (FQHCs), rural health clinics, Ryan White HIV centers, Native Hawaiian health centers, some critical access hospitals (CAHs), and other rural providers lack resources to stay abreast of the interoperable health technologies available and in use by others. Financial assistance is need on a one-time basis to allow these critical services to become available to all providers, but particularly those providing care to less advantaged patients and communities and rural areas. There are specialized firms which have developed lower cost but fully compatible electronic health record (EHR) systems for safety net and rural health providers which can assist in producing these improvements here, making these services far more affordable now.

This bill establishes the Health Infrastructure Grant Program (HIGP) to fund these necessary improvements to our safety net and rural providers. SHPDA is prepared to implement and oversee the program and believes it is essential to improving our health care services here.

The HIGP will require state assistance to realize and perform its essential purposes on behalf of rural and neighbor island beneficiaries.

We believe the budget request of \$20-25 million dollars will allow connectivity and improved care, educed ling term costs, and better outcomes for patients for safety net providers and rural health statewide. This investment is essential for the HIGP to succeed.

Mahalo nui loa for the oppportunity to testify.



February 21, 2025 at 2:00 pm
Conference Room 308

House Committee on Finance

To: Chair Kyle T. Yamashita
Vice Chair Jenna Takenouchi

From: Paige Heckathorn Choy
AVP, Government Affairs
Healthcare Association of Hawaii

Re: **Support**
HB 716 HD 1, Relating to Health

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 health care 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 **support** this measure, which would establish a grant program within the Department of Health to promote and enhance health information technology (IT) infrastructure across our state. This initiative seeks to modernize healthcare delivery and coordination and help to ensure equitable access to high-quality care for all residents of Hawaii.

Investing in health IT infrastructure is particularly difficult for smaller practices and providers serving rural areas, which often face financial and technical barriers to implementing advanced health IT solutions. This grant program would help level the playing field, enabling those providers to adopt tools such as electronic health records (EHRs) and telehealth platforms that would allow them to better share critical patient information securely, streamline workflows, and coordinate care more effectively. This functionality is especially important for managing complex cases and chronic conditions, where collaboration between primary care providers, specialists, and hospitals is key to better outcomes.

This proposed grant program can help to provide more equity and access for underserved and rural communities by ensuring that all healthcare providers, regardless of size or location, have the tools they need to deliver excellent care to our residents. We appreciate the legislature's continued commitment to ensuring access to high-quality care, and the opportunity to testify in support of this measure.

House Committee on Finance

Friday, February 21, 2025 2:00 PM Room 308

TESTIMONY IN SUPPORT OF HB 716 HD1 RELATING TO HEALTH

Chair Yamashita, Vice Chair Takenouchi, and members of the Committee:

Thank you for hearing this measure and for the opportunity to testify in support of HB 716 HD1. The grant program proposed by this measure would be of benefit to many organizations in our state.

Waikiki Health is a Federally Qualified Health Center (FQHC) providing primary care as a core service at multiple clinics in Waikiki, McCully/Moiliili, Kaimuki, and by means of mobile medical unit. We are also a Ryan White Part C program grantee, and have been at the forefront of HIV/AIDS care and prevention services since 1992. Waikiki Health also provides Native Hawaiian healing services directed by an award-winning RN program specialist, and works closely with Papa Ola Lokahi.

We are acutely aware that creating and maintaining up-to-date health information technology infrastructure is critical to our success, despite the cost challenges this presents for a non-profit community health center. For example, electronic health records have become critical to our operations. Waikiki Health works frequently with other FQHCs, Ryan White program grantees, and Native Hawaiian organizations to share ideas, experiences, and practices, including those related to information technology and interoperability.

Mahalo again for the opportunity to submit testimony on this important measure.



Alexis Charpentier (MPH)
Chief Executive Officer, Waikiki Health

Friday, February 21, 2025; 2:00 PM
Conference Room 308 & Video Conference

House Committee on Finance

To: Representative Kyle Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair

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

**Re: Testimony in Support of HB 716, HD1
Relating to Health**

My name is Michael Robinson, and I am the Vice President of Government Relations & Community Affairs at Hawai'i Pacific Health. 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.

HPH writes in SUPPORT of HB 716, HD1 which establishes the Health Infrastructure Grant Program within the Department of Health (DOH), to be administered by the State Health Planning and Development Agency (SHPDA), to support a certified, hosted, and maintained health information technology infrastructure and the implementation of interoperable health information technologies for federally qualified health centers (FQHC), rural health clinics, Ryan White HIV/AIDS program centers and Native Hawaiian health centers in Hawai'i.

A certified, hosted, and maintained health information technology infrastructure is a basic component of the delivery of appropriate, quality healthcare and is an essential element in the overall operation of the health care system. Additionally, coordination of information through the technology infrastructure enables communities as well as the state to immediately identify emerging health trends and issues, making it possible to provide timely interventions. However, the technology infrastructure is costly and requires a significant financial investment which many health centers serving rural communities and underserved areas are unable to incur. The lack of this infrastructure reduces quality of care and leads to disparities in the delivery of healthcare and outcomes.

The establishment of a grant program to assist qualified health centers in rural and underserved areas of the State in investing in a certified, hosted, and maintained health information technology infrastructure is an innovative means of enabling those health centers to operate on par with and coordinate patient health care with clinics located in

metropolitan areas of the state. It also allows health care providers to have direct access to relevant patient information for the benefit of the communities they serve.

Thank you for the opportunity to testify.



**Testimony to the House Committee on Finance
Friday, February 21, 2025; 2:00 p.m.
State Capitol, Conference Room 308
Via Videoconference**

RE: HOUSE BILL NO. 0716, HOUSE DRAFT 1, RELATING TO HEALTH.

Chair Yamashita, Vice Chair Takenouchi, 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 THE INTENT** of House Bill No. 0716, House Draft 1, RELATING TO HEALTH.

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.

The bill, as received by your Committee, would create a grant program within the Department of Health, to be administered by the State Health Planning and Development Agency, to support a certified, hosted, and maintained health information technology infrastructure and the implementation of interoperable health information technologies for federally qualified health centers (FQHCs), rural health clinics, Ryan White HIV/AIDs program centers, and Native Hawaii health centers in Hawaii.

This measure would take effect on July 1, 3000.

We believe this bill shines the light on the critical importance and need for State information technology support as it pertains to electronic medical records, population health tools, among other priorities. This infrastructure is vital for organizations such as FQHCs to achieve improved patient outcomes especially when it comes to health disparities and the social determinants of health.

Accordingly, we respectfully urge your favorable consideration of 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.



Submitted via electronic email

February 21, 2025

The Honorable Kyle T. Yamashita, Chair
The Honorable Jenna Takenouchi, Vice Chair
Committee on Finance

Agenda #3
Friday, February 21, 2025 at 2:00 p.m.
Via Video Conference; Conference Room 308

Re: HB 716 HD1 Relating to Health - Support

Dear Chair Yamashita, Vice Chair Takenouchi, and members of the committee,

On behalf of OCHIN, we express our strong support for HB 716 HD1. This vital legislation will drive interoperability for all Hawaii providers and bridge the digital divide in rural and low resourced communities by investing in modernized health IT infrastructure.

OCHIN is a nonprofit health IT innovation and research network. Our members include Federally Qualified Health Centers (FQHCs), community health centers, Ryan White HIV/AIDS Program Centers, local public health departments, and critical access hospitals in Hawaii and across the country. For over 20 years, OCHIN has worked tirelessly to advance health care solutions, leveraging our network's unique data and collective expertise to deliver scalable, innovative health technology to rural and low resourced areas, including to over 2,000 patients in Hawaii with over 4,100 annual visits.

HB 716 HD1 provides critical investments that will enable essential providers (FQHCs, Rural Health Clinics, Ryan White HIV/AIDS Program Centers, and Native Hawaiian clinics) to procure and implement certified, hosted, and maintained health IT systems. This will ensure that their technology is secure, up to date, and in compliance with federal and state regulations around critical components like cybersecurity and interoperability. The grant is vendor neutral which allows providers to choose the vendor that works best for the needs of their community.

When disasters strike, lives depend on providers' ability to quickly access and share accurate patient data. The recent wildfires in Maui are a sobering reminder of why this investment is urgently needed. Outdated systems are not just an inconvenience—they are a liability. Interoperable systems are critical to ensure continuity of care and enable providers to access up-to-date patient information and coordinate seamlessly with emergency response teams.

Hawaii's providers in rural and low resourced communities have long been a beacon of strength and resilience. Time and again, they have weathered the storms—both literal and figurative—that threaten their well-being. However, these struggles leave visible scares as well as invisible scars on our communities where survivors struggle with trauma, grief, and long-term recovery. Interoperable health IT systems will support individuals who have experienced trauma by ensuring that health care providers can access their history without repeatedly asking for sensitive information.

Hawaii is already a trailblazer in healthcare innovation, exemplified by its recent approval to participate in the CMS AHEAD Model, which will use a new value-based payment model to reduce health care costs while improving public health. However, for Hawaii to lead the charge in this national transformation, our health care providers must have robust, modernized IT systems to securely collect, analyze, and share data. HB 716 HD1 is the key to ensuring the success of this model.

We urge you to support HB 716 HD1 and help secure a future where Hawaii's health care providers are equipped not just to survive but to thrive.

Please contact me, stollj@ochin.org, if you have questions.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Stoll". The signature is written in a cursive, flowing style.

Jennifer Stoll
Chief External Affairs Officer



**WAIANAЕ COAST
COMPREHENSIVE
HEALTH CENTER**

**Friday, February 21, 2025 at 2:00 PM
State Capitol, Conference Room 308 & Videoconference**

HOUSE COMMITTEE ON FINANCE

**To: Chair Kyle Yamashita
Vice Chair Jenna Takenouchi**

**From: Ian Ross
Public Affairs Director
ianross@wcchc.com | (808)652-3380**

RE: TESTIMONY IN SUPPORT OF HOUSE BILL 716 HD 1 - RELATING TO HEALTH

Aloha Chair Yamashita, Vice-Chair Takenouchi, and Members of the House Committee on Finance,

Aloha and mahalo for the opportunity to provide testimony in **support of House Bill 716 HD1**, which establishes a Health Information Technology Infrastructure Grant Program.

Waianae Coast Comprehensive Health Center (WCCHC) is a non-profit organization dedicated to improving the health and well-being of the West Oahu community through accessible and affordable medical and traditional healing services, including vital telehealth services and online social support, crucial for our community's wellbeing. Celebrating over 50 years of service, WCCHC remains committed to providing holistic healthcare and promoting the health of our local community and environment.

House Bill 716 HD1 would provide necessary support for safety-net providers, including federally qualified health centers (FQHCs), rural health clinics, Ryan White HIV/AIDS program centers, and Native Hawaiian health centers, so that they can continue to meet the evolving demands of healthcare delivery and public health readiness.

Hawai'i's healthcare landscape is undergoing rapid changes, driven by advances in technology and the need for systems that promote interoperability, value-based care, and equitable health outcomes. The recent \$12 million AHEAD grant from the Centers for Medicare & Medicaid Services (CMS) underscores the broad recognition of this situation. By addressing multi-payer alignment and improving care coordination, Hawai'i's Medicaid agency can develop a more advanced, data-driven system that measures value, controls costs, and ensures improved health outcomes. However, achieving these goals requires all providers, particularly safety-net providers, to have the necessary health information technology infrastructure.

Safety-net providers are the backbone of Hawai'i's healthcare system, serving the most vulnerable populations, including Medicaid recipients, uninsured individuals, and those in rural and underserved areas. Unfortunately, these providers often lack the capital to implement and maintain the certified, hosted, and interoperable health information technology systems needed to engage in the next phase of healthcare reform. This creates a disparity in the quality of care and access to innovative payment models, further widening the gap between well-resourced



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providers and those struggling to meet basic infrastructure needs while providing care to our most vulnerable communities.

House Bill 716 HD1 addresses this gap by providing critical financial support to safety-net providers, enabling them to:

- Upgrade electronic health record systems to ensure interoperability and compliance with federal standards.
- Invest in cybersecurity and secure patient data systems to build trust and meet regulatory requirements.
- Access technical assistance and workforce development to ensure effective use of these systems.

This measure helps providers including health centers to fully participate in the state's move toward value-based care and Medicaid reform, which is consistent with investment including the CMS AHEAD grant. Without such support, safety-net providers risk falling behind, creating a "Catch-22" situation where the lack of modern infrastructure limits their ability to access resources and implement necessary changes, further perpetuating inequities in care.

As we brace potential shifts in federal Medicaid policies, this bill provides the proactive investment necessary to equip Hawai'i's healthcare system with the tools to adapt to uncertainty. By creating a sustainable infrastructure, our state can enhance care delivery, support critical public health functions, improve patient outcomes, and reduce long-term healthcare costs.

We respectfully urge the committee to pass House Bill 716 HD1 to support Hawai'i's safety-net providers and our most vulnerable populations.

Mahalo for the opportunity to testify in **support** of this important measure.