

Monday, August 17, 2020

10:00 a.m.

Via Videoconference

State Capitol

415 South Beretania Street

House of Representatives

Thirtieth State Legislature

Select House Committee on COVID-19 Economic and Financial Preparedness

**Report of the Select Committee's Sixteenth Meeting,**

**Held on Monday, August 17, 2020**

The House of Representatives established the Select House Committee on COVID-19 Economic and Financial Preparedness (Committee) pursuant to House Resolution No. 54 (Regular Session of 2020). The membership of the Committee includes selected members of the House of Representatives, state government officials, and business leaders from private industry and non-profit organizations located in each of the primary counties.

The Committee is tasked with:

- (1) Identifying the potential economic and financial impact to the State;
- (2) Developing short-term and long-term mitigation plans; and
- (3) Monitoring COVID-19 conditions and outcomes.

At its sixteenth meeting, the Committee discussed Hawaii's current medical and economic status, its prognosis, and

recommendations to re-set Hawaii's course with regard to mitigating or stopping COVID-19 in the State.

**I. HAWAII'S CURRENT MEDICAL STATUS**

Mr. Raymond Vara, President & CEO of Hawaii Pacific Health (HPH), and Dr. Mark Mugiishi, President & CEO of Hawaii Medical Service Association (HMSA), provided an update on the current medical status of COVID-19 in Hawaii.

Dr. Mugiishi directed the Committee to the "COVID-19 Health-based Community Response" matrix (matrix) by the Hawaii COVID-19 Public Health Recovery Task Force (Task Force), which comprises the health determinants of disease activity and capacity, response, and five impact levels: "New Normal" in blue, "Recovery" in green, "Act With Care" in yellow, "Safer at Home" in orange, and "Stay at Home" in red.

Dr. Mugiishi shared the current status of COVID-19 in the State:

- Severity of disease activity is at orange, with 43 new hospitalizations. Hospitals are contemplating or preparing to initiate their surge plans, with some hospitals already transferring lower acuity patients to other facilities to make room for higher acuity patients.
- Prevalence of disease activity is at red. There are 220 median new cases per day with community spread.
- Healthcare supply is at orange. There is discussion about hospitals being able to manage right now but contemplating initiating their surge plans.
- Contact tracing is at red. There is effort underway to fix the contact tracing problems by changing leadership and

onboarding new contact tracers, which will take time. At this time, there is not enough capacity to meet the needs of 200-plus COVID-19 cases per day.

- Diagnostic testing is at orange. With the new number of cases and having to test many asymptomatic close contacts, many tests are being sent to mainland labs rather than being conducted on site.

There is a question as to whether the State is in the recovery phase from an overall standpoint. Officially, however, Oahu is in the "Act With Care - Do Not Gather" phase, which is a disconnect given that the current state of metrics is either in orange or red. Dr. Mugiishi stated that at this point, there are two options to address the COVID-19 situation: (1) Go directly to a red level ("Stay at Home" phase); or (2) Be more selective and go to an orange level ("Safer at Home" phase) and determine what to allow and what not to allow. However, to take a selective approach, there needs to be data and confidence that the information allows the right, selective decisions to be made.

The Committee discussed whether there is sufficient data available to the public to make assessments regarding the current spread of COVID-19 activity. Dr. Mugiishi responded in the negative and stated that technical and common sense information, such as real-life stories, would be useful in informing the public of the kinds of activities contributing to the COVID-19 spread and enabling the public to modify its behavior. The Committee noted that part of the population is scared because it does not know what is going on and the

other part is not scared enough. Therefore, the community needs to be provided information, knowledge, and expectations on a widespread basis.

Dr. Carl Bonham, Executive Director and Professor of Economics at the University of Hawaii Economic Research Organization (UHERO), noted that any changes to, and recommendations on, COVID-19 restrictions on the community would not start to affect the case counts for 10 to 14 days. The Committee agreed that there needs to be further adjustments made to the restrictions, whether it will be "Stay at Home" or "Safer At Home", or some hybrid, but to remain the same is not advised.

Mr. Vara stated that there has been a slight change in the exponential characteristics of new COVID-19 case growth rates, with a more consistent daily case count in the 200 range rather than the 300 to 400 range.

## **II. HAWAII'S CURRENT ECONOMIC STATUS**

Dr. Bonham gave an update on the State's current economic status. He stated that the virus is the economy and that public health is what drives the economy. Data indicates that Hawaii peaked in improvement around June 20. Through the end of July, economic activity was off 10 to 15 percent. It was noted that the surge in case counts affects the economy even without additional restrictions. A UHERO survey released last week indicates that statewide, about 17 percent of businesses do not expect to survive. Dr. Bonham emphasized conveying the message that the behavior of individuals is what is driving the 17 percent expectation of permanent business failure.

The Committee discussed whether we should take a more aggressive approach to control the virus or take a more subdued approach. Co-Chair Peter Ho stated that to ensure future economic prosperity for the long-term, there needs to be a very meaningful, well-resourced public health infrastructure that can be realized to the extent the community and policy makers make decisions to strategically invest in the infrastructure, which will give the best leverage to get the economy going.

Ms. Lauren Nahme, Chair of the Committee's COVID-19 CARES Funds Subcommittee, has been tracking the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to the State. She posed several questions:

- What did we learn from the first run of federal monies the State received and what can be learned from Senate Bill No. 126, C.D. 1 (Act 9, Session Laws of Hawaii 2020), funding, which has not been spent yet?
- Have we funded the hotspots or risk areas?
- How do we ensure S.B. No. 126 funds will be just as responsive to meet those needs and dedicated toward those needs?
- The State received a lot of federal monies that were allocated with the best information at the time. The conditions were very different then, so how will we respond on a proactive basis to help high risk, very vulnerable populations?

The COVID-19 CARES Funds Subcommittee is tracking the programmatic areas (geography and recipient areas) that are hopefully receiving the funds and whether the funds match up with the areas of

risk. The Subcommittee is also working closely with Mr. Robert Yu, Deputy Director of the Department of Budget and Finance, to understand the process and what the departments are doing to be ready as quickly as possible to prioritize those risk areas.

### **III. HAWAII'S PROGNOSIS**

Mr. Vara shared actual versus projected COVID-19 cases to show the dramatic impact of the slope of the curve, a "hockey stick-type curve", which reflects the case growth over the last several weeks. He stated that the number of active COVID-19 cases is currently on pace to double every ten days. At this rate, Hawaii is expected to average approximately 200 new COVID-19 cases a day over the next seven days and the health system will be stressed by the end of August, necessitating a look at expansion plans for intensive care unit (ICU) care and overall bed capacity for COVID-19 patients. The Committee noted that the trend lines are unsustainable.

The Committee noted the variables that cause fluidity of the current situation:

- ICU rates are not what they were in March and April. The lowering of ICU rates helps capacity.
- Consideration must be given to the number of licensed beds available in hospitals and how hospitals are able to staff effectively for patient acuity.
- Consideration must also be given to the effectiveness of therapeutics. Steroids, plasma, and other medications are quite effective in keeping the number of patients who go into

ICUs or onto ventilators lower than in earlier days of the pandemic.

The slope of the curve indicates that the health care system will be stressed at some point without some kind of intervention.

#### **IV. RECOMMENDATIONS**

On behalf of the Committee's Communications Subcommittee, Mr. Vara expressed the need for a clear communications plan that helps people understand what is going on in the community and the current status, and the need for clear, reliable, and consistent reporting of data that is translated into expectations for the community. There must be clear communications on what worked during the initial shutdown of the COVID-19 pandemic and what did not work, how to make adjustments, and communication of a clear path going forward.

The Communications Subcommittee identified steps, which have been shared with Governor David Ige and Mayor Kirk Caldwell, to develop a functional plan to deal with current issues related to COVID-19 and the right path forward for the community. The Committee noted that there must be an effective oversight body over COVID-19 planning and execution on a statewide basis and communication from the state or county level. The oversight body, whether on the state and/or county level, is necessary to provide oversight for COVID-19 planning and execution in the following areas:

- Collection of consistent, reliable, and actionable data. The data can be aggregated and not in violation of the federal Health Insurance Portability and Accountability Act of 1996.

It is about turning raw numbers into meaningful and actionable information for the public.

- Well-executed management and control abilities of the disease activity, including the ability to screen, test, contact trace, and quarantine. Greater transparency of information is needed in this area.
- A world-class communications team and infrastructure. As the data is assembled and turned into meaningful and actionable information, there needs to be a world-class communications team and infrastructure to plan and execute how the information gets out to the community.
- Co-Chair Peter Ho indicated that while people have a pretty good understanding about what is expected of them in the workplace and understand broad sets of what they are supposed to be doing, it has not become personal, so people exempt themselves from the restrictions. The Committee noted that for greater compliance with COVID-19 restrictions, we need a strong communications program that speaks to the community, tells stories at a personal level related to COVID-19, and convinces the community to participate in achieving stability and a stable economic footing.
- Mr. Naalehu Anthony, Director of Moananuiakea One Ocean One People One Canoe, echoed the storytelling aspect and the idea that there is a set of conditions in which we must engage the community for them to get a sense of the

seriousness of the situation. He stated that the Committee spent time looking at what other states are doing, such as identifying settings where COVID-19 outbreaks are occurring.

- On behalf of the Housing and Homelessness Subcommittee, Mr. James Koshiba, Co-founder of Hui Aloha, noted that early on, the press was often on calls for these Committee briefings, which gave them real-time information. He emphasized a direct approach in communicating with the public.
- Enforcement of COVID-19 restrictions and activity. Data on community behavior may be inconsistent with restrictions. The Committee noted that personal responsibility to combat COVID-19 lies in all of us for a successful path forward; however, it starts with how this pandemic is managed on a statewide basis and countywide basis using data, science, and world-class communication skills to make sure everyone is doing their part.

The Committee discussed the kind of intervention that Hawaii needs at this point. Dr. Mugiishi restated that there are two tools in the toolbag right now: a "sledgehammer approach" of shutting everything down and a more selective approach of imposing restrictions based on data. House Majority Leader Della Au Belatti stated that it is important to explain to the public the effect of restrictions and stay at home orders.

Mr. Vara stated that there needs to be a more aggressive posture in COVID-19 restrictions. He shared with Governor David Ige and Mayor Kirk Caldwell that if there is data on what we know now that we did not know in March, we should make adjustments based on that data. Absent credible data, in the longer view, we need to take more restrictive action now to get to the other side and execute a long-term path forward.

The Committee noted that the idea of selective restrictions for COVID-19 response is appealing because it speaks to geographic location, businesses, and communities. The Committee also noted that in this regard, it is important to know where COVID-19 cases and clusters are. Speaker Saiki indicated that DOH needs to disclose this data to the public and for decision-making purposes.

Committee discussion also centered on the need to rethink and improve some of the existing restrictions because the public perceives inconsistencies across some of the restrictions.

Differences in the COVID-19 situation affecting Oahu and the neighbor islands, including statewide and regionally, were raised. A dichotomy is occurring with some of the neighbor islands looking to reopen portions of their economy, whereas case counts in Oahu are much higher. The Committee noted that while communication should be the same, the neighbor islands need to be dealt with differently from Oahu, the different areas of the neighbor islands should be taken into account when making decisions, and more restrictions on Oahu should not preclude other islands from completing reopening plans.

Committee members representing businesses stated that businesses are frustrated and are asking for a plan to open up tourism and noted the need for benchmarks so businesses are not playing the guessing game of opening, reopening, and closing.

Speaker Saiki sent a letter to Dr. Bruce Anderson on August 6, 2020, requesting that the Department of Health (DOH) respond to his request that DOH publicize the following data with regard to COVID-19 cases: the date and location of transmission; the type of activity or event where the transmission occurred; and whether the infected individual who may have infected others, was masked or unmasked, and whether the individual was symptomatic or asymptomatic. Last night, DOH responded by letter to Speaker and indicated that it is currently in the process of determining how to better provide additional details about COVID-19 transmission events to the public without violating privacy or health information protections, to give the public a deeper appreciation for the breadth and depth of risk posed to residents and visitors, particular on Oahu.

Speaker Saiki noted that Dr. Mugiishi and the Hawaii COVID-19 Public Health Recovery Subcommittee foresaw the need to build up contact tracing capacity in the State and worked with the nursing school on a contact tracing training program. While the program was implemented with about 200 contact tracers completing the program and available to start working, some program participants indicated they have yet to be called to help. Dr. Mugiishi added that the real value of contact tracers is using contact tracers working at the peak of their capabilities when the case count is low.

Speaker Saiki emphasized that there are people in the community who want to help the State; however, there has been some resistance to this support. State and county agencies need to be willing to accept help from the broader community. Speaker raised the issue that one of the problems the Governor has is that he has tried to reach consensus decisions with the mayors but because of different circumstances and different needs, this prevents the Governor from decision making. He suggested the need to look at not only the State, but county leader actions in the COVID-19 situation.

**V. CLOSING**

Speaker Saiki proposed that the Committee take on more of an oversight role, help analyze data and the COVID-19 situation, and provide recommendations going forward. He stated that this Committee has credible and informed members that collectively can help contribute to what the State and counties need to do at this point.

**VI. NEXT MEETING**

The Committee will reconvene on Monday, August 31, 2020, at 10:00 a.m. via videoconference.

**VII. ADJOURNMENT**

The Committee adjourned its meeting at 11:22 a.m.