

Monday, November 30, 2020

10:00 a.m.

Via Videoconference

State Capitol

415 South Beretania Street

House of Representatives

The Thirtieth Legislature

House Select Committee on COVID-19 Economic and Financial Preparedness

Report of the Select Committee's Twenty-fourth Meeting,

Held on Monday, November 30, 2020

The House of Representatives established the House Select 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 twenty-fourth meeting, the Committee discussed a proposal to modify the Safe Travels Hawaii Program (also referred to as the pre-travel testing program) and invited the

Governor and four county mayors to share their experiences with, and plans relating to, the program.

I. OPENING REMARKS

Speaker Scott Saiki noted this is a critical time for the State, with CARES Act funds ending soon and the potential for a vaccine to be available shortly. While all four mayors agreed to participate in the Committee's meeting, the Governor declined the invitation. The day before the meeting, the Committee's Public Health Subcommittee and Strategy & Communications Subcommittee provided a Proposal to Modify the Safe Travels Hawaii Program (White Paper). This White Paper was made available to Committee members and is available on the Committee's website.

The Committee has always said its top priority is the health and welfare of the State's residents. The Committee also recognizes that travel is a critical component of the State's economy. A combination of public health and safe travel can be achieved. Preparation of this White Paper was begun prior to the recent announcement by the Governor to change the Safe Travels Hawaii program and was written to serve the health of Hawaii's residents while fostering a safe economy.

II. PRESENTATION OF PROPOSAL

TO MODIFY THE SAFE TRAVELS HAWAII PROGRAM

Raymond Vara, President and CEO, Hawaii Pacific Health, led the presentation of the White Paper, which is based on the spread of the virus nationally, while recognizing the achievements of the Safe Travels Program. So far, the program has been a success in terms of managing COVID-19's positivity rates, hospitalizations, and economic impacts.

Dr. Mark Mugiishi, President and CEO, Hawaii Medical Service Association, noted the subcommittees wanted to acknowledge the success of this program and suggest ideas that could make the program more responsive to the surge happening on the mainland. If the goal is to achieve a balance of public health and economic health, the program has done that.

From a public health perspective, when comparing October 11, 2020, to November 27, 2020, metrics show the State is in better shape than it was before. Statewide, the average number of new cases per day was 96.7 then and is 94.6 now. The number of hospitalized COVID-19 patients was 103 then, compared to 60 now. Intensive care unit beds occupied is 53 percent then versus 46 percent now.

From an economic standpoint, the program has helped the State recover jobs and tax revenues. The University of Hawaii Economic Research Organization (UHERO) provided statistics in the White Paper. Nearly 230,000 visitors arrived since the pre-travel testing program launched versus 31,000 in the six weeks before the program began. Every county saw an improvement in the number of workers returning to work. In the first week of October, 246,000 weeks of unemployment benefits were claimed, which fell to 171,000 by the first week of November.

While the program has been successful, the subcommittees looked at a solution to protect the State from the surge occurring on the mainland. The current status of the program, which requires a 14-day quarantine if travelers through no fault of their own do not receive their results prior to boarding, has caused unintended consequences. These consequences include many hotel room cancellations resulting in millions of dollars of lost revenue. Some trusted testing partners have withdrawn their support of the program, saying they are unable to guarantee test results in 72 hours and are therefore advising people to go elsewhere. Moreover, the City is struggling to understand how they will enforce quarantine with this added condition. Airlines, hotels, restaurants, and retailers are having to reconsider their staffing as CARES Act money is expiring. For these reasons, the subcommittees believe further adaptation of the program is required.

Hotels have rallied to support the Governor's adjustment (of requiring a negative pre-travel test result prior to boarding or face a 14-day quarantine). However, the industry believes the best modification is to allow travelers who diligently complied with the 72-hour pre-travel

testing requirement but through no fault of their own are unable to get the results in time be subject to and remain in a 14-day quarantine upon arrival unless and until they: (1) submit to and receive a rapid test upon arrival that is negative; and (2) subsequently receive a negative result from their original trusted partner test that they can upload into the State's Safe Travels portal.

The subcommittees' proposal has positive impacts. It adds an extra layer of screening and restores confidence for travelers who are currently canceling when they do not have a test result prior to boarding. Travelers participating in the pre-travel testing program will feel they have been treated fairly when they did everything right. In the first six weeks of the program, about six percent of travelers did not receive their results prior to arrival. The subcommittees' proposal limits the burden for greater quarantine enforcement and is feasible. It allows for the continued livelihood of the travel industry and balances the competing needs of the State.

Dr. Jill Hoggard Green, CEO, Queen's Health Systems (Queen's), expressed support for the White Paper's proposal on behalf of Queen's and Hawaii Pacific Health. She said the proposal adds another layer of safety as many are fearful about the mainland surge. Everyone needs to continue exercising personal responsibility. Under the White Paper's proposal, travelers will remain in quarantine until both tests come back negative.

Carl Bonham, UHERO Executive Director and Professor of Economics, said it is clear the restart of tourism with the pre-travel testing program has had an impact on improving employment for Hawaii's households in every county, with unemployment claims reduced. The Pandemic Unemployment Assistance (PUA) program expires on December 26, 2020. Without federal action, the 72,486 individuals claiming PUA benefits that will see those benefits end.

Peter Ingram, Chairman, Airlines Committee of Hawaii, emphasized that, as cases escalate on the mainland, Hawaii continues to achieve its twin goals of protecting public health and enabling economic recovery. This requires that the State give travelers the opportunity to find a path to compliance that they see as reasonable so they can avoid quarantine. Quarantine

will comprehensively stifle any travel. What is being proposed in the White Paper is an opportunity to continue the economic gains the State has seen since October 15, 2020, while ensuring public health remains protected.

Mufi Hannemann, President and CEO, Hawaii Lodging and Tourism Association, assured the mayors and the Governor that from the beginning of the pandemic the hospitality industry has recognized the importance of working together. The industry will accommodate guests who have a confirmed reservation and have COVID-19 until a medical professional says otherwise. The economic impact resulting from the Governor's recent change in the pre-travel testing program has been devastating across the board. Room nights are being canceled. This will translate into more furloughs and staffing reductions.

III. UPDATES AND REPORTS FROM MAYORS

A. Mayor Derek Kawakami, County of Kauai

Mayor Kawakami agreed that the Safe Travels Hawaii program has worked in general for the State. From the beginning, Kauai took the position that it is hard to manage the State with a one-size-fits-all solution, especially for smaller rural communities like Kauai.

Although Mayor Kawakami agreed the program has been a tremendous success in balancing health and safety and jumpstarting the economy, he highlighted some case numbers specific to Kauai. Prior to October 15, Kauai had a total of 61 cases. Although some have said it is because Kauai is small, the mayor said that from the beginning, Kauai "went hard." Hawaii has a good vantage point because the State can observe what is happening before it comes to our shores. From the beginning, the Kauai Police Department made their top priority the health and safety of the people of Kauai and placed resources toward enforcement of the various emergency proclamations and rules.

From the beginning, Kauai worked on programs like the Mahalo Green Card to ensure compliance. Since October 15, Kauai has had 70 cases in a six-week period. Of those, 57 are travel-related, with 27 residents and 30 visitors. Five travel-associated contacts became

positive and eight cases were because of community transmission. Thirty-five of the 57 had negative pre-travel tests; of those, 32 were from the mainland and three were interisland. These travelers started to feel sick and came in for a second test, which end up being positive. Fifteen of the 57 had positive pre-travel tests that were received after arrival. Two just recently knowingly traveled despite being positive and even after being informed by an airport quarantine team still decided to board the plane and come to Kauai. One had an inconclusive pretravel test and five did not participate in pre-travel testing.

Although the program is a success statewide, Kauai is in a unique situation. Kauai twice proposed a mandatory three-day quarantine and a second test because, based on data, the incubation period varies from a relatively short period to 14 days, with the bulk of the peak being five to seven days. Kauai was denied its request by the Governor ten days later. Kauai tried to get approval for this proposal again recently. There is a sense of urgency based on the COVID-19 situation in the West Coast gateways.

Kauai is concerned it does not have the ability to handle a big outbreak. Mayor Kawakami said their position has always been to require a second test and a three-day quarantine. That's why they created resort bubbles. They felt if they created an environment where guests can quarantine on the entire property for three days, then it unlocks them to enjoy the rest of the island thereafter.

The average length of stay on Kauai prior to COVID-19 was seven days. During the pandemic, it was initially 30 days, which has now dropped to 14 days, still equating to a fairly long stay. He noted it might be because statistically Kauai has many time share units. Time shares usually sell in one or two-week blocks so Kauai felt that requiring a three-day quarantine followed by a second test would be something travelers would have an appetite for. They have never advocated for statewide mandates.

Mayor Kawakami said Kauai has one of the best health directors in the U.S. The holy grail is prevention, followed by detection (testing, contact tracing, investigation), and

containment (quarantine and isolation of known positives). Treatment is the last resort. Early on the nation saw health care systems crumble in cities we thought were invincible as far as their health care systems. From Kauai's standpoint, the health care system is the last line of defense.

He noted that Kauai was able to open its economy sooner. Bars and gyms have been open. Kauai got its CARES Act money into the community as quickly as possible. Kauai is proceeding with caution. He will take the White Paper proposal back to his incident management team. From a health and economic recovery perspective, Kauai is convinced that having a three-day post-arrival quarantine followed by a second rapid test is the best way to manage incoming travelers during the pandemic.

B. Mayor Kirk Caldwell, City and County of Honolulu

Mayor Caldwell said the City and County of Honolulu (City) has promoted testing from day one as its first line of defense. On November 24, 2020, the City sent the Governor a request to amend its order and tiered framework to address the increased number of cases on the mainland. As of November 29, 2020, the nation's positivity rate is 9.6 percent, while it had been as high as 10.3 percent earlier. The City's positivity rate is 2.1 percent as of November 29, 2020, with a seven-day average of 68 new cases per day. On November 27, 2020, the nation had 205,000 cases in one day. Dr. Anthony Fauci said at this rate, the U.S. could see as many as 1,000,000 cases per day by Christmas.

Hawaii has one of the lowest number of cases in the nation. On November 24, 2020, the City requested the Governor amend the order along three lines:

- First, to allow those who come in with a pre-test but who still do not have their result on arrival to take a second test at the City's mobile lab at the airport (rapid PCR test with results in two to three hours). While they are waiting for their result, travelers would download an app. The test would be paid for by the City using CARES Act

money, and the traveler would agree to quarantine until they get their results from the pre-travel test back.

- Second, the City also asked the Governor to allow it to do a second post-arrival test for those who already have an exemption, like essential workers. In this case, the City asks that the employer pay for the test.
- Third, for those who do not have a pretest at all, the City requested they be required to get a PCR post-arrival test, download a tracking app, commit to quarantine four days, and get a second test at a lab. They can get out of quarantine if both tests are negative.

Mayor Caldwell said the City would like the Governor to at least allow the first request.

Mayor Caldwell also noted that the White Paper concludes with five points which the City agrees with. It would add an extra layer of screening. Both tests must be negative. The proposal reduces the burden on the Honolulu Police Department. The five percent of arrivals who took the pre-test but who do not yet have their results on arrival represents a number that is well below the 10,000 tests the City can conduct daily at its mobile lab. The City has the capacity and CARES Act money to do this.

C. Mayor Michael Victorino, County of Maui

Mayor Victorino reiterated that the health and safety of its citizens is the priority for Maui County. Maui is unique because there are three islands under County control. The proposal in the White Paper is similar to what Maui County proposed in the past.

In May, Maui had four new cases and in June three new cases. Then in July the numbers started to climb, attributable to community spread more than visitors. The highest case count was in August with 165 cases. Maui County has averaged about 100 cases since then.

Since November 1, 2020, Maui has had 197 PCR cases, of which 38 were not Maui residents. Thirty-three residents traveled to the mainland then came back positive. Community-

acquired cases numbered 113, with eight undetermined. Visitors have contributed to the case count, but a lot have been good about complying. People are arriving wanting to know they are not sick. Throughout the month of November, 42 percent of cases were travel-related. Maui County saw a decrease when the Governor instituted mandatory negative tests before departure.

Mayor Victorino's proposal is similar to what he has said from the beginning. Everyone should have a negative test before coming in. Essential workers should have testing once a week paid for by their employer. A three-day quarantine after arrival must be mandatory.

As of this morning, there is one COVID-19 case in the ICU and none on ventilation. Maui County stands prepared.

D. Mayor Harry Kim, County of Hawaii

Mayor Kim said the island just initiated a mobile testing program. Because of its testing procedures, the County tests more people per capita than anywhere else in the State.

He referred to the high COVID-19 counts on the mainland, noting Alaska has a pre-travel testing program and in the past month, there has been an escalation of cases there. Alaska now has had a total of 30,000 active cases, even though Alaska has half the population of Hawaii. Hawaii needs to learn from Alaska. According to Alaska government officials, Mayor Kim said the rise in active cases in Alaska has been attributable to those government officials not adhering closely to the pre-travel testing protocols for Alaska.

Hawaii County was supportive of the Governor's change to the program. The County had to scale down its second test requirement from 100 percent to 25 percent because of airport constraints but is going back to 100 percent on Wednesday. The Governor's Office and the Department of Transportation are helping the County find space for the mobile testing.

Mayor Kim said the County needs help monitoring the airport. The number of people testing positive is growing. In November, 43 people tested positive on their PCR test. They tested ok on the mainland, were given an antigen test at the airport, and if they tested positive,

they had to take a PCR test on the spot. For the whole month of October, the County had nine who tested positive. From November 6, the County only tested 25 percent of arrivals, so the number of people testing positive on arrival would have been higher if 100 percent of arrivals had been tested. Transporting those who test positive to hotels or finding places for them to quarantine has cost the County a tremendous amount.

Hawaii County needs help if we go back to allowing arrivals without a negative test. Quarantine means room, board, and everything else.

IV. DISCUSSION

Mark Perriello, CEO, Kauai Chamber of Commerce, welcomed the opportunity to continue the constructive partnership with the County of Kauai. Mayor Kawakami said the Chamber has been a tremendous partner and was working on strategies to reopen the economy early in the pandemic.

Mayor Kawakami asked whether anyone still thinks the Safe Travels program is working for Kauai based on these numbers -- 61 cases from March to October 14, then 70 from October 15 up to now. Mayor Kawakami said Kauai had not seen community spread since July and has community spread now. Kauai has always advocated for a second test, but they also understand the length of this incubation period. They know it's inconvenient, but people are still traveling during a pandemic. With an average length of stay of 14 days, Kauai felt a three-day quarantine followed by a second test would have been a good middle ground. Kauai looks at its health care system as a castle and they want to protect that castle. He asked what is the acceptable level of risk for Kauai? Is there an acceptable number for lost lives? Is this program still the right program for Kauai?

Dr. Mugiishi said Mayor Kawakami has always been a great partner. No one is questioning whether the Mayor is doing the best he can for Kauai. To understand whether the number is acceptable, there needs to be an understanding of what can be managed. Even the numbers presented in Kauai represent less than one person a day. The answer depends on

what contact tracers can do, ability to manage positive cases, whether positive cases can they be isolated, and can Wilcox Hospital can the number of positive cases. From an absolute numbers' standpoint, Dr. Mugiishi did not think the numbers on Kauai were frightening.

Mr. Vara said Mayor Kawakami and his team have done a fantastic job since the beginning of the pandemic and that his comments mirrored those of Dr. Mugiishi. The current situation has been managed extremely well. Even with the pre-travel test program, there are zero patients in Wilcox with COVID-19 today. The program is working so far.

Mayor Kawakami reiterated the one thing they are trying to figure out is how many patients can Wilcox handle? They want guidance on this. Is the intent to use existing trusted travel partners on island and does the visitor carry that cost for the second test?

Mr. Hannemann said from a hotel perspective, he really liked Mayor Caldwell's proposal. It provides an extra level of screening. The quarantine aspect is problematic for the hotel industry. When you're asking travelers to spend another three days in quarantine, it limits a person's ability to afford to come to Hawaii.

Mayor Kawakami said Kauai received about \$29,000,000 in CARES Act money. Eighteen million dollars went directly back into the community, as intended by Congress, including to programs and nonprofits to assist with the pandemic response. Kauai County does not have the same kind of resource as the City. If more federal stimulus comes to the counties, testing capacity is where Kauai is looking to focus the funding. It is a hard sell to have the everyday worker shoulder the cost of testing a visitor. Kauai is open to looking at other plans and to making tweaks to the pre-travel testing program in a way that is appropriate for Kauai.

Mayor Victorino said Maui County's program mirrors the White Paper's proposal closely and Maui is willing to look at different proposals. Maui instituted many different programs to address the impacts of COVID-19 even before CARES Act money was received. Maui County is heavily dependent on the hospitality industry and was therefore greatly impacted by the pandemic. The County put its CARES Act money into community programs, its hospitals, and

the schools. He agreed that while there are some things in common across the State, Maui and Kauai are different.

Mayor Kawakami said that for Kauai, the quarantine was horrendous from an enforcement standpoint. Even the Centers for Disease Control and Prevention is looking at shortening the duration to increase compliance and because the peak of the bell curve for when people start to get sick is at five to seven days. Kauai has five resorts designated as enhanced movement quarantines, otherwise known as the resort bubble. Guests can fully explore the property, including getting into the pool and onto the golf course. For three days they can enjoy the amenities of the resort, get a second test, and then get out to explore the rest of the island. Three more resorts have applied to be enhanced movement quarantines.

With respect to the City's three-point request, Dr. Mugiishi said the first point is what's been proposed in this White Paper. There is support for the second point about essential workers getting tested. He said there was uncertainty about City's capacity for the third request to test everyone who flies into Honolulu, but it is something that can be explored.

Wendy Laros, Executive Director, Kona-Kohala Chamber of Commerce, asked Mayor Kim for clarification on the 100 percent post-arrival test plan – whether it applies only to 100 percent of those who opted to do the pre-travel testing program or 100 percent of everyone deplaning. Mayor Kim said the County is conducting a second test on 100 percent of people in the pre-travel testing program. The County is also submitting a request to the Governor to require those with exemptions to be pre-tested.

Mayor Caldwell said their request to the Governor that was discussed previously is just on behalf of City.

Mr. Vara noted all mayors had mentioned the uniqueness of their islands but noted that there are common threads amongst all the counties. The State has a natural barrier that allows us to implement a pre-travel test program. The State has adequate testing capacity. Following the initial surge in July and August, the State has done a good job on contact tracing. One of

the best new stories is what happened on Lanai. When the virus began to spread, it could have easily expanded to 300 to 500 people in a short period of time, but it was contained to 100. The pre-travel testing program tells us that we have the right infrastructure to balance the health of the community and the economy.

Representative Della Au Belatti noted that her understanding is that the cost of a second test is supposed to be borne by the traveler and not the State.

Mayor Kawakami said he was told that if the County wanted a second test, the costs could not be charged to the traveler -- that the County had to bear the cost of the second test. This made the conditions being imposed for a second test infeasible.

Mayor Victorino said it is his understanding that the hospitality industry is more in tune to helping with this and that these second tests would be on the visitor industry and employers.

Mayor Caldwell said they were told if they wanted to require a second test it had to be paid for out of the City's money. The Governor's position was that if a second test were required, it would erode trust in the pre-travel testing program.

Representative Belatti said that if the Governor said the cost would be borne by the counties, then she did not want to overstep that decision.

V. CLOSING REMARKS AND ANNOUNCEMENTS

Speaker Saiki thanked Representative Kyle Yamashita for suggesting today's meeting as it resulted in a very good discussion. Speaker Saiki proposed this discussion be continued at a future time and in the meantime, asked Dr. Hoggard Green, Dr. Mugiishi, and Mr. Vara to address Kauai's healthcare capacity concerns.

VI. NEXT MEETING

The next Committee meeting will convene on Monday, December 7, 2020, at 10:00 a.m. via videoconference.

VII. ADJOURNMENT

The Committee adjourned at 11:46 a.m.