

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEES ON HEALTH AND
LABOR & PUBLIC EMPLOYMENT
ON
HOUSE BILL NO. 1483

February 6, 2013

RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

House Bill No. 1483 amends Chapter 323F, HRS, by adding a new section allowing any of the Hawaii Health Systems Corporation (HHSC) regions or their health facilities to transition to non-public status. The transition can occur through the sale, lease, or transfer of assets, except for real property, which can only be transferred by lease. In addition, all liabilities of the transitioning region or facility that were transferred to HHSC upon its creation by Act 262, SLH 1996, and all collective bargaining contracts negotiated by the State shall become the responsibility of the State. Subject to legislation appropriation, the State is required to continue funding operating support subsidies and capital improvements for the new entity(ies).

The appropriate regional system board must approve the transition of a regional system or individual health facility, and in the case of the corporation transition, all of the regional boards and the corporation must approve the transition. The transition is subject to: legal review by the Department of the Attorney General; review by the Department of Budget and Finance (B&F), to ensure conformity to all applicable financing procedures; and the Governor's approval.

Although B&F is open to exploring various avenues to improve the ability of the HHSC to provide quality health services and to increase its economic viability, we have two major concerns with the current version of House Bill No. 1483. The first

major concern is that this version requires the State to assume “any and all liabilities” that were transferred to HHSC upon its creation by Act 262, SLH 1996, for any region or facility that transitions into a new legal entity, and all liabilities relating to collective bargaining contracts that were negotiated by the State. It is unclear what is meant by “any and all liabilities” that the State shall assume on behalf of any region or facility that transitions into a new legal entity. Because there is no definition of what constitutes the “liabilities,” it is assumed that the liabilities could be significant as there are no limitations contained in the bill.

The second major concern is that the State is required to continue funding operating support subsidies and capital improvements for the new entity(ies). If the State is to assume “any and all liabilities” that were transferred to HHSC upon its creation and all liabilities relating to collective bargaining contracts that were negotiated by the State, it is questionable why the State needs to continue its subsidies. The new entity(ies) would appear to be largely unencumbered and should have the ability to be self-sufficient. The combination of the two considerations above need to demonstrate, at least, financial advantages to the State and taxpayer in order for such an arrangement to be tenable.

In addition to these two major issues, we note that there are a number of “transitional” issues (the list below is not exhaustive) that need to be addressed:

- The current employees of the HHSC are members of the Employees’ Retirement System (ERS) and Employer-Union Trust Fund (EUTF) and most have accrued benefits under ERS and EUTF. Some transition arrangement needs to be worked out for these employees when the new entity(ies) come into being - do they transition out of ERS and EUTF, maintaining their accrued benefits earned up to

the transition, or do they stay in ERS and EUTF even while they work for the non-public entity(ies)?

- The sale or transfer of buildings that were previously financed with tax-exempt general obligation bonds may trigger a “change of use” of the bond financed building, as the owner of the building for federal tax purposes will be a private entity. This may have tax consequences as the bond issue may no longer qualify for federal tax exemption. Further discussion with bond counsel will be necessary to ensure compliance with federal tax requirements.
- Some of the HHSC’s facilities are located on ceded lands. The HHSC has not been making ceded land payments to the Office of Hawaiian Affairs (OHA) because the health services revenues have been treated as an excludable sovereign function. However, if a new non-governmental entity(ies) is created, these revenues could be subject to OHA ceded lands requirements.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committees on Health and Labor and Public Employment
Wednesday, February 6, 2013 at 8:30 am
by
Jerris Hedges, MD
Dean, John A. Burns School of Medicine
University of Hawai'i at Mānoa

HB 1483 RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

Aloha Chairs Belatti and Nakashima and Members of the Committees:

The John A. Burns School of Medicine (JABSOM), with the encouragement and support of the Hawai'i State Legislature, Hawai'i County and Hilo Medical Center, has invested time and expertise to promote the establishment of a post-MD residency training program for primary care medicine in Hilo. Hawai'i Health Systems Corporation's proposed interdisciplinary primary care training program is consistent with our hopes to increase the educational and training opportunities statewide for health careers.

Our Hawai'i Health Workforce Assessment, extended by the 2012 Legislature, continues to underscore the State's urgent need for healthcare providers. Right now, Hawai'i is short an estimated 635 physicians compared with average communities our size, including those on:

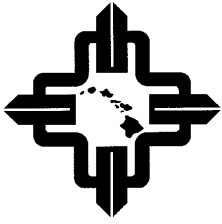
Hawai'i Island — 175
Kaua'i — 64
Lana'i — 10

Maui — 84
Moloka'i — 11
O'ahu — 291

With growing health care needs in our rapidly aging communities and the pending retirements of as many as 30% or more of local physicians in the next five years, there is much to be done.

Among other things this past year, JABSOM has launched a website to connect physicians to MD openings in Hawai'i, begun an educational loan repayment program for health care providers who commit to serve in our rural areas and extended our training of MD students to all the major islands from 'Ele'ele on Kaua'i to North Hawai'i on Hawai'i Island. We find that our MD students performing extended clerkship training on the neighbor islands are 45% more likely to choose to serve rural communities after they become physicians, and up to 80% of our MDs in post-MD residency programs remain to begin their own practices in the area. All over the country, enrollment at medical schools has outpaced growth in residency training programs. Additional graduate medical education, such as the program proposed in Hilo, is a priority need if our State hopes to retain and attract the health care workers our population needs now and will only need more urgently in the future.

Mahalo for the opportunity to testify.



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N
Quality Healthcare For All

**House Committee on Health
Representative Della Au Belatti, Chair
Representative Dee Morikawa, Vice-Chair**

And

**House Committee on Labor Representative Mark Nakashima, Chair
Representative Mark Hashem, Vice-Chair**

Wednesday, February 6, 2013
Conference Room 329
8:30 a.m.
Hawaii State Capitol

Testimony on House Bill 1483, Relating to the Hawaii Health Systems Corporation. Permits the regional systems of the Hawaii health systems corporation and their health facilities to transition to non-public status.

Bruce S. Anderson, Ph.D.
President and Chief Executive Officer
Hawaii Health Systems Corporation

Hawaii Health Systems Corporation (HHSC) supports the intent of HB 1483 to clarify the powers of the HHSC and regional system boards to enter into public/private partnerships. However, the HHSC board of directors has not had the opportunity to review the bill or come up with a board position on the specific provisions that have been introduced.

The HHSC Board passed a motion supporting continued discussions with private entities for potential partnerships and other relationships. Therefore, legislation clarifying the roles of the various boards in making decisions could prove valuable. The board meets on February 20, 2013 and will be in a better position to make comments on the specific language at hearings held after that date.

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

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www.hhsc.org <<http://www.hhsc.org>>



Testimony of Clyde T. Hayashi
Director
Hawaii LECET
1617 Palama Street
Honolulu, HI 96817

HOUSE COMMITTEE ON HEALTH
HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
Wednesday, February 6, 2013
8:30 a.m., Conference Room 329

HB 1483 - RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

HB 1484 - RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

Aloha Chairs Belatti and Nakashima, Vice Chairs Morikawa and Hashem, and Members of both Committees:

My name is Clyde Hayashi and I am the director of Hawaii LECET (Laborers-Employers Cooperation and Education Trust). Hawaii LECET is a partnership between the Hawaii Laborers' Union, Local 368 and our union contractors.

I am submitting this testimony in **strong opposition** of the intent and purpose of HB 1483 and HB 1484.

On behalf of the hundreds of Hawaii Laborers' Union, Local 368 members and many union contractors who call the neighbor islands home, Hawaii LECET is very concerned that HB 1483 and HB 1484 will result in a reduction in the health services offered on the neighbor islands and also in the quality of service provided.

The providing of rural healthcare is a challenge, but our members and their families deserve quality and accessible healthcare. We have concerns about how a mainland health provider, Banner Health, will make the important decisions which will impact the neighbor island communities in which our members and contractors reside.

We are also concerned that should Banner Health take over HHSC, the transition will result in a possible wholesale change of employees and their status. This type of negative change to employees, our fellow neighbor island residents, cannot help in the quality delivery of healthcare.

Thank you for the opportunity to submit this testimony.

**TESTIMONY OF: RONALD R. BUNNELL, EXECUTIVE VICE PRESIDENT, ON
BEHALF OF BANNER HEALTH**

BILL: HB 1483

COMMITTEE(S): HEALTH AND LABOR & PUBLIC EMPLOYMENT

HEARING DATE AND TIME: FEBRUARY 06, 2013, AT 8:30 a.m.

DATE OF TESTIMONY: FEBRUARY 05, 2013

Banner Health strongly supports passage of HB 1483, which makes a number of adjustments to Chapter 323F of the Hawaii Revised Statutes that will facilitate the transition of all or some of the hospitals and other facilities of the Hawaii Health Systems Corporation (HHSC) to non-public status. The bill provides a clear legal framework for HHSC and its regions to negotiate a lease agreement with private healthcare organizations to assume the operation of the HHSC facilities as privatized organizations.

As the Chairman and Committee members are aware, Banner Health has been invited by Maui, East Hawaii and West Hawaii Regions of HHSC to discuss the feasibility of entering into such an agreement. This entails an evaluation of the benefits to HHSC hospitals from Banner assuming operation of these facilities as a part of the Banner Health system. But we cannot emphasize too strongly that this legislation would be needed for any privatization transaction to occur, whether with Banner Health or with another private healthcare organization. This legislation is not about Banner Health or the specifics of any transaction that may be eventually negotiated with Banner following passage of the bill.

House Bill 1483 is designed to ensure the long-term sustainability of the HHSC facilities as the primary provider for the health care needs of the resident population and visitors in their respective communities, with the long-term goals of decreasing and possibly eliminating the reliance of the HHSC facilities on state operating subsidies while improving their quality of care. HHSC is the nation's fourth largest public health system and has attracted high quality and dedicated physicians, nurses and other health professionals. Yet today, HHSC is at significant risk to sustain the level of support necessary for these health professionals to provide quality care across a broad set of services. The risk is exacerbated by:

- Declining reimbursement levels from Medicare and Medicaid
- Gradual erosion of volume
- A growing need for capital investment that is beyond what HHSC can provide
- Growing discontent by Hawaii taxpayers and elected leaders over an ever-increasing annual operating and capital subsidy to support HHSC operations capital investment needs

- Operation on a scale that is simply too small to realize the full benefits of the technological and knowledge revolution that is going on today in healthcare

HHSC has expressed a desire to address these challenges, but also has recognized that it lacks the resources to do so under the current circumstances and in its current public status. We share the concern of many that the HHSC system is unsustainable over the longer term and, unless fundamental systemic changes are made, it will increasingly struggle to deliver the healthcare services needed on the neighbor islands, and will fall further behind the dramatic changes taking hold elsewhere in the U.S. healthcare system.

A sustainable vision of improved patient care

As we stated above, House Bill 1483 creates a clear legal framework for transitioning HHSC facilities to private operations under leases of the HHSC facilities to the private operators. It may be helpful for members of the Committees to understand what we see as the potential in a transition of the HHSC facilities to affiliation with a major multi-state healthcare system like Banner Health.

A little background about us will provide some context for our vision. Banner Health is a nonprofit, 501(c)(3) corporation which operates 23 owned and leased hospitals in seven states, from Fairbanks, Alaska to Ogallala, Nebraska. Banner is headquartered in Phoenix, Arizona, had approximately \$4.9 billion in annual revenues in 2012, and has 31,000 full-time equivalent employees. Banner Health has received numerous national recognitions, including being twice named one of the top 15 healthcare systems by Thomson Reuters. Banner Health is financially stable, as reflected by our AA- rating by Standard & Poor's and Fitch Ratings.

Our vision for the HHSC facilities would begin with excellent patient care. The ability to improve patient care is directly tied to the ability to invest significant resources and implement enterprise-wide systems that support the clinical decision-making of clinicians. For instance, an electronic medical record system (EMR) at the highest level of implementation and adaptation not only creates efficiencies at the bedside, where clinicians utilize the rich data (derived from data derived throughout Banner Health) from the EMR to make the best possible clinical decisions, but also can be used as enabling technology to alert clinicians to the potential of serious, deadly disorders that, if addressed early on, can be treated more successfully. This resource can be implemented throughout all HHSC hospitals and will offer critical access hospitals the same level of support as there is in larger facilities.

Standard protocols for patient care, based on scientific evidence and reached through clinical consensus groups composed of practicing physicians from throughout the Banner Health system, can be implemented in the HHSC hospitals. This can result in more consistently high patient care outcomes. Improved patient care in HHSC hospitals can be further supported by providing the structure for physicians to practice within integrated networks that are able to provide a more coordinated patient experience and more collaborative care.

Specialists caring for the most complex and seriously ill patients who are in intensive care units (ICU) can be available from remote locations via tele-health to consult with their physician colleagues in HHSC hospitals. This is a patient-care approach that can significantly reduce mortality throughout HHSC hospitals, as it has in Banner Health's existing hospitals. This level of support makes it easier to recruit physicians to our smaller, rural communities because such physicians will continue to have levels of technological and specialist support that typically could only be found in larger urban areas. Finally, a sustainable vision of improved patient care must be supported by an economy of scale that achieves effective supply-chain management on behalf of all HHSC hospitals.

Perhaps the most important benefit that we see for the HHSC facilities is that improved patient care and remote technologies can enable more residents on the neighbor islands to receive high quality healthcare close to home, without having to fly to Honolulu away from their families and friends. Improved patient care creates the foundation upon which expanded or new and high-quality patient services are established. It retains the quality clinicians already caring for HHSC patients and attracts new quality clinicians to join HHSC. The ability to sustain HHSC as a viable force for good health care in the future for Hawaii citizens and visitors is directly tied to improved patient care.

This is our vision for what the HHSC facilities could achieve if they were to become part of the Banner Health system through the framework made possible by HB 1483. Again, we emphasize that the bill is only the first step to making this vision possible, and that there may be other private healthcare systems with equally compelling visions. But we need to start with a clear statutory framework, and that is why HB 1483 is so important.

Thank you for the opportunity to submit this testimony to the Committees.

morikawa2 - Shaun

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 05, 2013 8:52 AM
To: HLTtestimony
Cc: jdrou@maui.net
Subject: Submitted testimony for HB1483 on Feb 6, 2013 08:30AM

Follow Up Flag: Follow up
Flag Status: Flagged

HB1483

Submitted on: 2/5/2013

Testimony for HLT/LAB on Feb 6, 2013 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Drout	Individual	Support	No

Comments: I fully support the privatization of the hospital. I would love to see this transition happen.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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morikawa2 - Shaun

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 05, 2013 3:43 PM
To: HLTtestimony
Cc: pluta@maui.net
Subject: Submitted testimony for HB1483 on Feb 6, 2013 08:30AM

HB1483

Submitted on: 2/5/2013

Testimony for HLT/LAB on Feb 6, 2013 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph D Pluta	Individual	Support	No

Comments: It would be prudent for the State to recognize this opportunity to save millions of dollars in revenue by utilizing private/public partnerships. The health care industry is ready and willing to step up to efficient means of operating without burdens of procurement and cumbersome regulations the State is saddled with at this time. Please stop wasting State monies needlessly and adopt any and all measures to utilize public/private partnerships in the Health Care Industry. Malama Pono ame Mahalo.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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House of Representatives
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
Committee on Health
Committee on Labor & Public Employment

February 6, 2013

H.B. 1483 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

Chair Belatti, Chair Nakashima, and members of the Committee on Health and Committee on Labor & Public Employment:

Thank you for the opportunity to provide testimony in strong support of H.B. 1483 and H.B. 1484, which permits the regional systems of the Hawaii health systems corporation and their health facilities to transition to non-public status and amends the governance structure of the Hawaii Health Systems Corporation (HHSC).

My name is Kristina Stone and I have served as a Social Worker for over 8 years. I am currently the Director of Social Work for Maui Memorial Medical Center and as a government employee; I dedicate my career to public service and the needs of our community. I believe a public partnership is the only way to ensure our community will continue to receive high quality health care. Furthermore, a private partnership would give our community access to financial resources to expand on services which we currently lack as well as higher grade technologies, equipment, and training. Claims that all employees would be fired are ridiculous as we struggle to recruit qualified applicants as it is. If anything allowing a company such as Banner Health to come in would likely result in more competitive wages and more attraction for qualified applicants and keeping educated and capable citizens employed in Hawaii as opposed to driving them to the mainland for employment. Our current system is not sustainable and is an unfair and unjust burden to the Hawaii State taxpayer. It is irresponsible and ignorant to believe we can continue to depend on state subsidies for operations. I strongly support the passage of H.B. 1483 and H.B. 1484 and urge you to do the same. Thank you for the opportunity to provide testimony.
Respectfully submitted,

Kristina N. Stone, MSW
808-442-2896

February 5, 2013

Committee on Health:

Representative Della Au Belatti, Chair

Representative Dee Morikawa, Vice Chair

Committee on Labor and Public Employment:

Representative Mark M. Nakashima, Chair

Representative Mark J. Hashem, Vice Chair

February 6, 2013 – 8:30 am

Conference Room 329

State Capitol

415 South Beretania Street

HB 1483 Relating to the Hawaii Health Systems Corporation

Thank you for the opportunity to testify in **strong support of HB 1483**. The purpose of this bill is to further advance the State's commitment to providing quality health care by allowing the operations of the regional systems of the Hawaii Health Systems Corporation and their facilities to transition to non-public status.

I support this measure for the following reasons:

1. The increasing cost to provide health care services combined with decreasing State subsidies present increasing challenges for HHSC to continue to provide the same level of services that the community needs, and to expand services to meet demand and keep up with health care reform requirements.
2. Health care reform and changes, combined with fiscal challenges, cause us to need to look for innovative alternatives to improve and enhance the delivery of health care for Hawaii residents.
3. A potential partnership can improve the quality of care and expansion of primary and specialty services.

I urge the committee to **support HB 1483**. Thank you for this opportunity to testify in support of this important measure.

Respectfully submitted,

(Sarajan Tokunaga)

Name:

Sarajan Tokunaga Medical

Title:

President of Meiji Memorial Center Foundation

Address:

285 Markham Street #4

Phone:

Wailuku HI 96793 242-2630

re: *Personal Request*

House of Representatives
The Twenty Seventh Legislature

Notice of Hearing:
February 6, 2013
8:30 a.m.
Conference Room 329
State Capitol
415 South Beretania Street

TO: Committee on Health:
Representative Della Au Belatti, Chair
Representative Dee Morikawa, Vice Chair
Committee on Labor and Public Employment:
Representative Mark M. Nakashima, Chair
Representative Mark J. Hashem, Vice Chair

FROM: Susan B. Hunt
P.O. Box 6255
Kamuela, HI 96743
808-936-3572

RE: HB 1483 Relating to the Hawai'i Health Systems Corporation
HB 1484 Relating to the Hawai'i Health Systems Corporation

Thank you for the opportunity to submit testimony in SUPPORT of HB 1483 and HB 1484 which permit the regional systems of the Hawai'i Health Systems Corporation and their health facilities to transition to non-public status and amends the governance structure of the Hawai'i Health Systems Corporation (HHSC).

My name is Susan Hunt and I have had the privilege of serving as a health care administrator in the State of Hawai'i since 1991. I currently serve as a member of the East Hawai'i Regional Board (HHSC) and Chair the Strategic Planning Committee.

In planning for the future of the East Hawai'i Region which includes Hilo Medical Center and two critical access hospitals – Hale Ho Ola Hamakua and Kau Hospital, it has become apparent that the current infrastructure supporting these facilities has become outdated and inadequately equipped to move the organizations forward in a new era of health care delivery and financing. Along with fellow board members of the West Hawai'i Regional Board and the Maui Regional Board, we agree that a new approach to delivering care to our communities is essential and under our current system structure the opportunities are limited.

Hospitals that survive and thrive in this challenging environment will be those that address payment cuts and change their operating models by implementing sustainable, systematic transformation to

bend the healthcare cost curve, not by implementing short-term incremental change or maintaining the status quo. This transformation requires focus not only on eliminating expense and maximizing revenue but also on quality improvements that avoid payment penalties.

These two bills allow HHSC to begin the process of restructuring to meet the challenges we face over the next 10 years which include up to \$200 billion in reimbursement cuts nationally and penalties for failing to demonstrate meaningful use of health information technology. In addition, up to 8% of total payments made to hospitals will be tied to quality improvements based on the ability to adhere to evidence based care measures, reduction in readmission rates and prevention of hospital acquired conditions.

Banner Health System presents an outstanding template of successful performance in today's challenging health care environment. They have found ways to optimize clinical practice and care delivery, reduce waste, enhance revenue, align physicians, foster collaboration and implement state of the art technology. We must learn from them and completely understand what HHSC will need in the future to thrive and survive. At this time we are only investigating the possibilities.

As a member of the East Hawai'i Regional Board it is my responsibility to ensure that we are making the right choices for our community – choices that ensure our hospitals will remain viable for years to come. As a tax payer I also want to ensure that my tax dollars are supporting a system of health care delivery that is state of the art and one of which we can be proud.

Thank you for allowing me to testify in support of HB1483 and HB 1484. Your support of these bills would be greatly appreciated.

morikawa2 - Shaun

From: dori smith [dorismithesq@gmail.com]
Sent: Tuesday, February 05, 2013 11:55 AM
To: LABtestimony; HLTtestimony; HTHTestimony; Sen. Les Ihara, Jr.
Cc: Rep. Kyle Yamashita; Sen. J. Kalani English
Subject: HB1483

Dear Representatives and Senators,

My name is Dori Rybacki-Smith. I am an attorney and a real estate professional living in Maui County. I attempted to submit testimony electronically regarding my opposition to HB1483 earlier today, but was unable to achieve this on the capitol.gov website. Therefore, I am composing this e-mail to you personally as a means to testify before the committees meeting tomorrow on HB1483.

I have read HB 1483, and am aware of much of the background behind it. I am opposed to HB1 483 for a variety of important reasons:

- 1) Hawaii will still be required to provide tens of millions of dollars to the "leased" facilities for various concessions that will be required to the for-profit entity to encourage it to accept financial responsibilities for operations of facilities. The same can be said for current employee/union concessions that will fall out of this arrangement.
- 2)The "lease(s)" for the healthcare facilities (land, buildings and equipment) will be substantially below market rates. Essentially a free lease for the for-profit entity, depriving the citizens of Hawaii the fair market income of such a valuable lease.
- 3)The savings that the state can expect from giving these facilities to a for-profit entity are small compared to the cost to build a road or even comparatively small to the cost to build one public restroom.
- 4)Vast numbers of local doctors, nurses, techs and support personnel will lose their jobs and be replaced by low-bid personnel from the mainland. The uprooting of all of these Hawaiian citizens and their families is reason enough to oppose this bill.
- 5)A multi-million dollar electronic health record system that HHSC has already paid for will be completely wasted as Banner Health plans to use their own system.
- 6)As written, HB1483 would give a for-profit entity unheralded power over the decision to reduce or eliminate critical or important health care resources and programs. There is no counter-control to this other than the perfect coordination of the Hawaii government to create and pass a 'new law' that would block any specific elimination of healthcare services that the for-profit deemed appropriate.

Please do not vote to destroy the lives of thousands of doctors and nurses and their families and friends. Please do not give away jobs to "low-bid" type personnel from the mainland. Please do not harm patients by putting a for-profit entity in the managing role of HHSC. Please vote against HB1483.

Mahalo nui loa,

Dori Rybacki-Smith, Esq.

House of Representatives
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
Committee on Health

■ ■ ■ ■ ■ ■ ■ ■

February 6, 2013

H.B. 1483 -- RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484 -- RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

Chair Belatti, Chair Nakashima, and members of the Committee on Health and Committee on Labor & Public Employment:

Thank you for the opportunity to provide testimony in **strong opposition of the language in H.B. 1483 and H.B. 1484**, which permits the regional systems of the Hawaii health systems corporation and their health facilities to transition to non-public status and amends the governance structure of the Hawaii Health Systems Corporation (HHSC).

My name is **Karen Kuis-Zelko**, and I have worked as a **X-ray tech** for the **Hale Ho'ola** for **13 years**. As a government employee, I dedicate my career to public service. Banner Health is a national nonprofit hospital system that only wants private employees. If they take over, they will most likely terminate all employees in **Hale Ho'ola**, and re-hire only those who pass pre-employment requirements. Banner Health does not believe in unions, and my civil servant service status and benefits will be lost as I will no longer be a state employee. With regards to its impact in the community, if Banner Health deems services unfeasible to maintain or lack clinical quality, they will cut those vital services and possibly close facilities that our community depends on. For example, Banner Health has minimal experience with services such as long-term care that are currently provided to our community. Additionally, with Banner Health, Hawaii taxpayers' dollars will be supporting and funding a mainland company to provide Hawaii health services. It deeply troubles me that the Legislature is considering this partnership.

I strongly oppose the passage of H.B. 1483 and H.B. 1484. Thank you for the opportunity to provide testimony.

Respectfully submitted,


Karen Kuis-Zelko

House of Representatives
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
Committee on Health
Committee on Labor & Public Employment

February 6, 2013

H.B. 1483 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

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My name is Robyn Johnson-Bregman, and I have worked as a Registered Nurse for over twenty years. I have worked for Kona Community Hospital for one year. As a government employee, I dedicate my career to public service. Banner Health is a national nonprofit hospital system that only wants private employees. If they take over, I worry that they may terminate all jobs from Kona Community Hospital, and re-hire only those who pass pre-employment requirements. Banner Health does not believe in unions. I worry that my civil servant service status and benefits will be lost as I will no longer be a state employee. With regards to its impact in the community, if Banner Health deems services unfeasible to maintain or lack clinical quality, they will cut those vital services and possibly close facilities that our community depends on. For example, Banner Health has minimal experience with services such as long-term care that are currently provided to our community. Additionally, I want to make sure that this main land company keeps Hawaiian money within Hawaii instead of supporting and funding a mainland company. It concerns me that the Legislature is considering this partnership.

I strongly oppose the passage of H.B. 1483 and H.B. 1484. Thank you for the opportunity to provide testimony.

Respectfully submitted,

Robyn Johnson-Bregman RN

House of Representatives
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
Committee on Health
Committee on Labor & Public Employment

February 6, 2013

H.B. 1483 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

Chair Belatti, Chair Nakashima, and members of the Committee on Health and Committee on Labor & Public Employment:

Thank you for the opportunity to provide testimony in **strong opposition of the language in H.B. 1483 and H.B. 1484**, which permits the regional systems of the Hawaii health systems corporation and their health facilities to transition to non-public status and amends the governance structure of the Hawaii Health Systems Corporation (HHSC).

My name is **Cindy DeSa**, and I have worked as a **Registered Nurse** for the **Hilo Medical Center** for **3 years**. As a government employee, I dedicate my career to public service. ~~Banner Health is a national nonprofit hospital system~~ that only wants private employees. If they take over, they will most likely terminate all employees in **Hilo Medical Center**, and re-hire only those who pass pre-employment requirements. Banner Health does not believe in unions, and my civil servant service status and benefits will be lost as I will no longer be a state employee. With regards to its impact in the community, if Banner Health deems services unfeasible to maintain or lack clinical quality, they will cut those vital services and possibly close facilities that our community depends on. For example, Banner Health has minimal experience with services such as long-term care that are currently provided to our community. Additionally, with Banner Health, Hawaii taxpayers' dollars will be supporting and funding a mainland company to provide Hawaii health services. It deeply troubles me that the Legislature is considering this partnership.

I strongly oppose the passage of H.B. 1483 and H.B. 1484. Thank you for the opportunity to provide testimony.

Respectfully submitted,



Cindy DeSa, Registered Nurse

House of Representatives
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
Committee on Health
Committee on Labor & Public Employment

February 6, 2013

H.B. 1483 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

Chair Belatti, Chair Nakashima, and members of the Committee on Health and Committee on Labor & Public Employment:

Thank you for the opportunity to provide testimony in **strong opposition of the language in H.B. 1483 and H.B. 1484**, which permits the regional systems of the Hawaii health systems corporation and their health facilities to transition to non-public status and amends the governance structure of the Hawaii Health Systems Corporation (HHSC).

My name is **Alisa Malama**, and I have worked as a **CLERK IV** for the **HILO MEDICAL CENTER** for **13 years**. As a government employee, I dedicate my career to public service. Banner Health is a national nonprofit hospital system that only wants private employees. If they take over, they will most likely terminate all employees in **Hilo Medical Center**, and re-hire only those who pass pre-employment requirements. Banner Health does not believe in unions, and my civil servant service status and benefits will be lost as I will no longer be a state employee. With regards to its impact in the community, if Banner Health deems services unfeasible to maintain or lack clinical quality, they will cut those vital services and possibly close facilities that our community depends on. For example, Banner Health has minimal experience with services such as long-term care that are currently provided to our community. Additionally, with Banner Health, Hawaii taxpayers' dollars will be supporting and funding a mainland company to provide Hawaii health services. It deeply troubles me that the Legislature is considering this partnership.

I **strongly oppose the passage of H.B. 1483 and H.B. 1484**. Thank you for the opportunity to provide testimony.

Respectfully submitted,



House of Representatives
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
Committee on Health
Committee on Labor & Public Employment

February 6, 2013

H.B. 1483 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

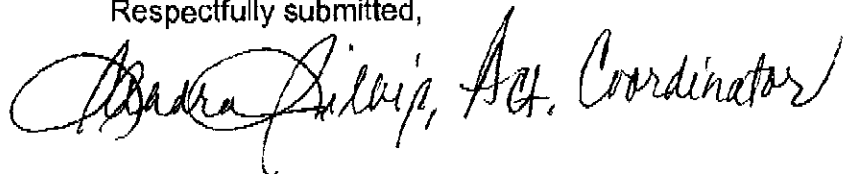
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My name is **Sandra Silvis**, and I have worked as a **Activity Coordinator** for the **Hilo Medical Center- Hale Ho'ola** for **1 ½ years**. . As a government employee, ~~I dedicate my career to public service. Banner Health is a national nonprofit~~ hospital system that only wants private employees. If they take over, they will most likely terminate all employees in **Hilo Medical Center- Hale Ho'ola**, and re-hire only those who pass pre-employment requirements. Banner Health does not believe in unions, and my civil servant service status and benefits will be lost as I will no longer be a state employee. With regards to its impact in the community, if Banner Health deems services unfeasible to maintain or lack clinical quality, they will cut those vital services and possibly close facilities that our community depends on. For example, Banner Health has minimal experience with services such as long-term care that are currently provided to our community. Additionally, with Banner Health, Hawaii taxpayers' dollars will be supporting and funding a mainland company to provide Hawaii health services. It deeply troubles me that the Legislature is considering this partnership.

I strongly oppose the passage of H.B. 1483 and H.B. 1484. Thank you for the opportunity to provide testimony.

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House of Representatives
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
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Committee on Labor & Public Employment

February 6, 2013

H.B. 1483 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

Chair Belatti, Chair Nakashima, and members of the Committee on Health and Committee on Labor & Public Employment:

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My name is **Margaret Ruelke**, and I have worked as a **RPN-111** for the **Hilo Medical center** for **13**. As a government employee, I dedicate my career to public service. Banner Health is a national nonprofit hospital system that only wants private employees. If they take over, they will most likely terminate all employees in **Hilo Medical Center**, and re-hire only those who pass pre-employment requirements. Banner Health does not believe in unions, and my civil servant service status and benefits will be lost as I will no longer be a state employee. With regards to its impact in the community, if Banner Health deems services unfeasible to maintain or lack clinical quality, they will cut those vital services and possibly close facilities that our community depends on. For example, Banner Health has minimal experience with services such as long-term care that are currently provided to our community. Additionally, with Banner Health, Hawaii taxpayers' dollars will be supporting and funding a mainland company to provide Hawaii health services. It deeply troubles me that the Legislature is considering this partnership.

I **strongly oppose the passage of H.B. 1483 and H.B. 1484**. Thank you for the opportunity to provide testimony.

Respectfully submitted,



Margaret Ruelke, RN

House of Representatives
The Twenty-Seventh, State of Hawaii
Regular Session of 2013
Committee on Health
Committee on Labor & Public Employment

February 6, 2013

H.B. 1483 - RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION
H.B. - RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

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My name is *RUTH N. HARPER* and I have worked as a *ER TRANSPORTER* For the Maui Memorial Medical Center for *6* years. As a government employee, I dedicate my career to public service. Banner Health is a national nonprofit hospital system that only wants private employees. If they take over, they will most likely terminate all employees in Maui Memorial Medical Center, and re-hire only those who pass pre-employment requirements. Banner Health does not believe in unions, and my civil servant service status and benefits will be lost as I will no longer be a state employee. With regards to its impact in the community, if Banner Health deems services unfeasible to maintain or lack clinical quality, they will cut those vital services and possibly close facilities that our community depends on. For examples, Banner Health has minimal experience with services such as long-term care that are currently provided to our community. Additionally, with Banner Health, Hawaii taxpayers' dollars will be supporting and funding a mainland company to provide Hawaii health services. It deeply troubles me that the Legislature is considering this partnership.

I strongly oppose the passage of H.B. 1483 and H.B. 1484. Thank you for the opportunity to provide testimony.

Respectfully submitted,

Ruth N. Harper

As an employee of Maui Memorial Medical Center I am submitting testimony with a little fear and trepidation to oppose HB 1483. Should this bill pass I fear that it would have very negative impacts on our community and families.

First I fear that there could be a severe reduction in services particularly in the areas that don't generate money but rather lose money. These areas would be mental health, indigent care to the uninsured or underinsured, visits to the ER for those who have no doctor or worse can't find one. Can you afford to have more patients transferred to O'ahu and Hawai'i State Hospital or other facilities because of a declining number of beds on Maui or elsewhere? What will you say to the family that may lose a loved one because the ER restricts a visit that was deemed not to be critical in nature? Believe me people do die from neglected things such as centipede bites. Restricted care could only compound the problem. What if cancer treatment is restricted or curtailed? Will we have to seek care on O'ahu or the mainland when we use to be able to get it here on Maui? Will I need to go to O'ahu to see a loved one who is now in long term care because beds have been closed down? Will our kupuna now have to die alone with no loved ones near?

The incoming of a private management company to manage MMMC, Hilo Medical Center and Kona Community Hospital will surely lead to the loss of physicians to these areas which could lead to a worsening problem of doctors for areas such as Hilo. Private MDs could be restricted from practicing at these facilities because they are not part of the hospital chain of providers of care.

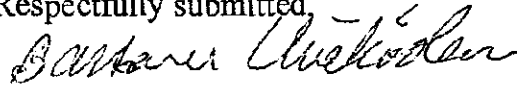
Why is this new private company being allowed to cherry pick what facilities the HHSC has? Worse yet they shall have free use of facilities and receive supplemental payments. This deal will cost the state millions in those costs plus costs for employees vacation and compensatory payments when we are no longer state employees. I equate this to the same thinking of sending prisoners to the mainland. All this money will go to a mainland company just like all the money for housing prisoners on the mainland.

The management at MMMC has done little to fully explain to employees what these changes will mean to us. Simple analogies have been used such as dating or engaged. Quite frankly I think we're into heavy petting now. Likewise the public is very little aware of what is occurring to our facilities.

Finally I fear for the change in culture that mainland doctors and staff would bring. I spend a portion of my time acquainting others with many of our local customs and beliefs. Having spent time on O'ahu at Queen's

medical center for an illness I found only the security guard and transporter could say or even attempted to say my name. It is insulting when people hear that others don't understand their English or customs.

Respectfully submitted,



Barbara RS "Susie" Uweko'olani RN, BSN
165 Ani Street, Kahului, HI, 96732

House of Representatives
The Twenty-Seventh, State of Hawaii
Regular Session of 2013
Committee on Health
Committee on Labor & Public Employment

February 6, 2013

H.B. 1483 – RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION
H.B. – RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

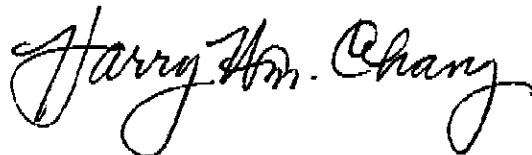
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Thank you for the opportunity to provide testimony in **strong opposition of the language in H.B. 1483 and H.B. 1484**, which permits, the regional systems of the Hawaii Health Systems corporation and their health facilities to transition to non-public status and amends the governance of the Hawaii Health Systems Corporation (HHSC).

My name is **HARRY W. CHANG**, and I have worked as a **RADIOLOGY CLERK** For the Maui Memorial Medical Center for **3** years. As a government employee, I dedicate my career to public service. Banner Health is a national nonprofit hospital system that only wants private employees. If they take over, they will most likely terminate all employees in Maui Memorial Medical Center, and re-hire only those who pass pre-employment requirements. Banner Health does not believe in unions, and my civil servant service status and benefits will be lost as I will no longer be a state employee. With regards to its impact in the community, if Banner Health deems services unfeasible to maintain or lack clinical quality, they will cut those vital services and possibly close facilities that our community depends on. For examples, Banner Health has minimal experience with services such as long-term care that are currently provided to our community. Additionally, with Banner Health, Hawaii taxpayers' dollars will be supporting and funding a mainland company to provide Hawaii health services. It deeply troubles me that the Legislature is considering this partnership.

I strongly oppose the passage of H.B. 1483 and H.B. 1484. Thank you for the opportunity to provide testimony.

Respectfully submitted,



NEIL ABERCROMBIE
GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

February 5, 2013

TO: Honorable Dee Morikawa
Hawaii State Capitol, Room 310
phone: 808-586-6280
fax: 808-586-6281

FROM: Lorrin Kim
Office of Planning, Policy, and Program Development

SUBJECT: Hearing Notice Request

We are requesting hearing for the following:

- House Bill No. 893

We are faxing 2 pages which include this cover sheet.

Should you have any questions please call us at 586-4188.

Promoting Lifelong Health & Wellness

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX 3378
HONOLULU, HI 96801-3378

In reply, please refer to
File:

February 4, 2013

The Honorable Della Au Belatti
Chair, House Committee on Health
Twenty-Seventh State Legislature
State Capitol, Room 331
Honolulu, HI 96813

Dear Chair Belatti:

House Bill No. 893, Relating to Dietitian Licensure Special Fund, is an Administration Proposal referred to your committee. This legislative proposal is a housekeeping measure that will allow fees collected to license dietitians to be used to support licensing operations.

I respectfully request a hearing at your earliest convenience so that I and other supporters of this bill can provide information to you and the members of your committee on the need and importance of this legislation.

Please do not hesitate to contact me at 586-4410 if you have any concerns, or our Planning Office at 586-4189 for specific coordination issues. We look forward to a productive session with you.

Thank you and aloha.

Sincerely,

Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health

c: Speaker Joe Souki
Office of the Governor, Policy

Promoting Lifelong Health & Wellness