



STATE OF HAWAII
DEPARTMENT OF HEALTH
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Testimony in SUPPORT of HB716 HD1 SD1
RELATING TO HEALTH.

SENATOR DONOVAN DELA CRUZ, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date/Time: April 3, 2025; 10:01 AM

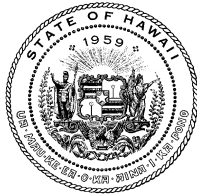
Room Number: 211

1 **Fiscal Implications:** Appropriates general funds for the Health Information Technology
2 Infrastructure Grant Program.

3 **Department Testimony:** The Department of Health (DOH) supports HB716 HD1 SD1 provided
4 that its passage does not replace or adversely impact priorities indicated in our Executive
5 Budget. DOH recognizes that significant resources are needed to support a certified, hosted,
6 and maintained health information technology infrastructure and implement interoperable
7 health information technologies.

8 Thank you for the opportunity to testify on this measure.

9



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

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

KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
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April 1, 2025

To: Senate Committee on Ways and Means
Senator Donovan Dela Cruz, Chair;
Senator Sharon Moriwaki, Vice Chair; and
Honorable Members

From: Jack Lewin MD, Administrator, SHPDA

RE: HB 716 HD1 SD1 April 3, 2025 10:01 am; Room 211

Position: SUPPORT

Testimony:

Mahalo for hearing this HB 716 HD1 SD1!

It is critically important to provide sophisticated electronic interoperability for healthcare coordination, administrative and clinical efficiency, and quality improvement for those few remaining health care providers in Hawai'i that lack such capabilities today. This disparity hampers the ability of these disadvantaged providers to improve population health outcomes, to maintain their financial viability, and to enable comprehensive, modern health care services to be coordinated and efficiently provided across the state.

The one-time investment in HB716 will have a profound effect on improving health care services in rural areas and among safety-net providers. Bringing these financially less able providers into full interoperability with the larger systems will improve their financial viability, reduce statewide health care costs over time, and dramatically improve quality of care and statewide healthcare outcomes. The recipients will be able to maintain these services once purchased and installed. They also need these funds for training of staffs to use the systems.

Amazingly, and only in Hawai'i, 80% of our hospitals, clinics, physicians, and other providers have already chosen to purchase and use the same EHR (electronic health record), which is the most commonly used system on the mainland, but by only 39% of providers nationally. This common platform allows our provider community to share health data very efficiently and to improve quality and care coordination.

SHPDA is not promoting this vendor. Rather, 80% of our providers statewide have already chosen it. But we are promoting the virtues of data interoperability and sophisticated data sharing and care coordination this system makes possible. It makes sense for this platform, or compatible ones, to connect the remaining 20% of providers here to create a statewide healthcare innovation model.

Contractor vendors are now making lower-cost but fully functional versions of this EHR (electronic health record) available – prompting this notion of helping the safety net and rural providers catch up with the rest of the state, which they cannot otherwise afford to do. Lower cost is still a million dollars or more. This will also allow the rural and safety net providers effectively connect to the Hawai'i Health Information Exchange, Queen's Health System, Hawai'i Pacific Health, Kaiser Permanente, and all other major providers, including many mainland providers. This connectivity will also allow these providers to participate in research opportunities for their patients, and make life-saving drugs and therapies more available to rural residents and providers.

Many federally qualified health centers (FQHCs), rural health clinics, Ryan White and various Department of Health clinics, Native Hawaiian health centers, Kahuku critical access hospital (CAH), and other rural and safety-net providers simply lack resources to stay abreast of the interoperable health technologies in use by all others here. HHSC has a similar request for their hospitals in the state budget, which is hopefully also going to be funded in parallel because it makes solidly good sense.

This bill establishes the Health Infrastructure Grant Program (HIGP) to contractually fund these necessary improvements to our safety net and rural providers. SHPDA is prepared to implement and oversee the program and believes it is essential to improving our health care services here. This is an essential part of the “Hawai'i the Health State” vision.

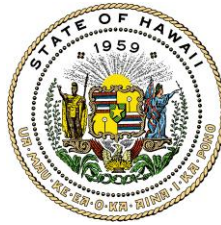
In summary, with this essential one-time state assistance, the HIGP can implement this vision of statewide data interoperability and healthcare modernization on behalf of rural, safety-net, and neighbor island providers, which they desperately need to survive. Hawai'i seeks to be the first and only state which will complete the process of statewide healthcare interoperability on a common platform to improve population health outcomes improvement, disease prevention, and cost effectiveness.

The budget request of \$25 million dollars is necessary and essential for the HIGP and Hawaii's healthcare system to succeed. If necessary, it could be split into \$12.5 million in FY2026 and in FY2027. As stated, this is a one-time but powerful and important investment in Hawaii's health and future.

Mahalo nui loa for the opportunity to testify.

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

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Testimony in SUPPORT of HB716 HD1, SD1
Relating to Health

LATE

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COMMITTEE ON WAYS AND MEANS
SENATOR DONOVAN M. DELA CRUZ, CHAIR
SENATOR SHARON Y. MORIWAKI, VICE CHAIR

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing: Thursday, April 3, 2025, 10:01 A.M., Conference Room 211

EOA's Position: The Executive Office on Aging (EOA), an attached agency to the Department of Health, **supports HB716 HD1,SD1.**

Fiscal Implications: Appropriates funds to the Department of Health for fiscal year 2025-2026 and fiscal year 2026-2027 for the health information technology infrastructure grant program.

Purpose and Justification: The purpose of this bill is to establish a grant program within the DOH State Health Planning and Development Agency (SHPDA) to support a certified, hosted, and maintained health information technology infrastructure and the implementation of interoperable health information technologies for federally qualified health centers, rural health clinics, Ryan White HIV/AIDS program centers, and Native Hawaiian health centers in Hawaii..

A solid, health information technology infrastructure has the potential to positively impact patients, providers, and the healthcare system. However, this technology along with the technical support is costly and health centers in rural and/or underserved communities may not have the resources to invest and implement this technology. Establishing a grant program to

assist rural health centers and other underserved communities to implement a certified, hosted, and maintained interoperable health information technologies infrastructure will enable these programs to level the playing field and operate similarly to larger, more financially endowed healthcare systems. Consequently, these technological upgrades will improve the efficiency and quality of healthcare delivery, increase care coordination between health care providers, enhance patient outcomes with increased access to electronic health records and improving data analysis and sharing for public health trends.

Recommendation: The EOA supports this measure and defers to the DOH SHPDA for implementation.

Thank you for the opportunity to testify.

Thursday, April 3, 2025; 10:01 AM
Conference Room 211 & Video Conference

Senate Committee on Ways and Means

To: Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice Chair

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

**Re: Testimony in Support of HB 716, HD1, SD1
Relating to Health**

My name is Michael Robinson, and I am the Vice President of Government Relations & Community Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

HPH writes in SUPPORT of HB 716, HD1, SD1 which establishes the Health Infrastructure Grant Program within the Department of Health (DOH), to be administered by the State Health Planning and Development Agency (SHPDA), to support a certified, hosted, and maintained health information technology infrastructure and the implementation of interoperable health information technologies for federally qualified health centers (FQHC), rural health clinics, Ryan White HIV/AIDS program centers and Native Hawaiian health centers in Hawai'i.

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

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

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

Thank you for the opportunity to testify.



April 3, 2025 at 10:01 am
Conference Room 211

Senate Committee on Ways and Means

To: Chair Donovan M. Dela Cruz
Vice Chair Sharon Y. Moriwaki

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

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

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

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

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

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



**Testimony to the Senate Committee on Ways and Means
Thursday, April 3, 2025; 10:01 a.m.
State Capitol, Conference Room 211
Via Videoconference**

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

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS THE INTENT** of House Bill No. 0716, House Draft 1, Senate Draft 1, RELATING TO HEALTH.

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

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

This measure would take effect on December 31, 2050.

We believe this bill shines the light on the critical importance and need for State information technology support as it pertains to electronic medical records, population health tools, among other priorities. This infrastructure is vital for organizations such as FQHCs to achieve improved patient outcomes within the communities they serve.

Accordingly, we respectfully urge your favorable consideration of this measure.

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



Submitted via electronic email

April 3, 2025

The Honorable Donovan Dela Cruz, Chair
The Honorable Sharon Moriwaki, Vice Chair
Committee on Ways and Means

Re: HB 716 HD1 SD1 - Relating to Health – In Support
Thursday, April 3, 2025; 10:01 AM
Conference room 211 & Videoconference

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Members of the committee,

On behalf of OCHIN, we express our strong support for HB 716 HD1 SD1. The bill will drive improved care and outcomes for all Hawaii providers and patients while bridging the digital divide in rural and low resourced communities. Modernizing health IT infrastructure for rural and under-resourced providers ensures a more resilient and cost-effective health care delivery system for Hawaii's future.

OCHIN is a nonprofit health IT and research network. We support low resourced providers include Federally Qualified Health Centers (FQHCs), rural health clinics (RHCs), Ryan White HIV/AIDS Program Centers, and critical access hospitals in Hawaii and across the country. For over 25 years, OCHIN has worked tirelessly to advance health care solutions, leveraging our network's unique data and collective expertise to deliver scalable, innovative health technology to rural and low resourced areas.

HB 716 HD1 SD1 provides critical investments that will enable essential providers (FQHCs, Rural Health Clinics, Ryan White HIV/AIDS Program Centers, and Native Hawaiian clinics) to procure and implement certified, hosted, and maintained health IT systems. This will ensure that their technology is secure, up to date, and in compliance with federal and state regulations around critical components like data reporting requirements, cybersecurity, and interoperability. Further, these investments in health IT systems are a critical move Hawaii can take to strengthen its health care system. For example, outdated systems make it harder to track patient histories, leading to unnecessary and costly repeat tests and hospital admissions, and worsens trauma informed care. With modern, interoperable systems, providers can coordinate care more efficiently, reducing hospital visits and lowering overall health care expenditures.

Through modernizing our health IT infrastructure, Hawaii can maximize federal funding. Hawaii is a trailblazer in healthcare innovation, exemplified by its recent approval to participate in the CMS AHEAD Model, which will use a new value-based payment model to reduce health care costs while improving public health. However, for Hawaii to lead the charge in this national transformation, our health care providers must have robust, modernized IT systems to securely collect, analyze, and share data. HB 716 HD1 SD1 is the key to ensuring the success of this model.

We urge you to support HB 716 HD1 SD1 and help secure a future where Hawaii's health care providers are equipped not just to survive but to thrive.

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

Sincerely,

A handwritten signature in blue ink, reading "Jennifer Stoll". The signature is fluid and cursive, with the first name "Jennifer" written in a larger, more prominent script than the last name "Stoll".

Jennifer Stoll
Chief External Affairs Officer



**WAIANAE COAST
COMPREHENSIVE
HEALTH CENTER**

LATE

Thursday, April 3rd, 2025 at 10:01 AM
State Capitol, Conference Room 211 & Videoconference

HOUSE COMMITTEE ON FINANCE

**To: Chair Donovan M. Dela Cruz
Vice Chair Sharon Y. Moriwaki**

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

RE: TESTIMONY IN SUPPORT OF HOUSE BILL 716 HD 1 SD1 - RELATING TO HEALTH

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the House Committee on Ways and Means,

Aloha and mahalo for the opportunity to provide testimony in **support of House Bill 716 HD1 SD1**, which establishes a Health Information Technology Infrastructure Grant Program.

Waianae Coast Comprehensive Health Center (WCCHC) is a Federally Qualified Health Center (FQHC) dedicated to improving the health and well-being of the West O'ahu community through accessible and affordable medical and traditional healing services, outreach to vulnerable populations including people experiencing homelessness, supporting our community's wellbeing. With 52 years of service, WCCHC is committed to providing comprehensive healthcare for our local community.

House Bill 716 HD1 SD1 would provide necessary support for safety-net providers, including federally qualified health centers (FQHCs), rural health clinics, Ryan White HIV/AIDS program centers, and Native Hawaiian health centers, so that they can continue to meet the evolving demands of healthcare delivery and public health readiness.

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

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



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

House Bill 716 HD1 SD1 addresses this gap by providing critical financial support to safety-net providers, enabling them to:

- Acquire or upgrade electronic health record systems which will help to ensure interoperability and compliance with federal standards.
- Invest in cybersecurity and secure patient data systems to maintain trust and meet regulatory requirements.
- Access technical assistance and workforce development to ensure effective use of these systems.

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

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

We respectfully urge the committee to pass House Bill 716 HD1 SD1 to support Hawai'i's safety-net providers and our most vulnerable populations.

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

LATE

TESTIMONY IN SUPPORT OF HB 716, HD 1, SD 1



HAWAI'I HEALTH &
HARM REDUCTION CENTER

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(808) 521-2437

www.hhhrc.org

*"Reducing harm,
promoting health,
creating wellness, and
fighting stigma
in Hawai'i and
the Pacific."*

TO: Chair Dela Cruz, Vice Chair Moriwaki, & WAM Committee

FROM: Nikos Leverenz, Policy & Advancement Manager

DATE: April 3, 2025 (10:01AM)

Hawai'i Health & Harm Reduction Center (HHHRC) **strongly supports** HB 716, HD 1, SD 1, which establishes the Health Infrastructure Grant Program within the Department of Health, to be administered by the State Health Planning and Development Agency, to support health information technology infrastructure and the implementation of interoperable health information technologies. We also support the HHS appropriation recommendation of \$25,000,000.

This bill will provide critical support to federally qualified health centers, rural health clinics, Ryan White HIV/AIDS program centers, and Native Hawaiian health centers by funding the acquisition, upgrade, and maintenance of certified, hosted, and interoperable health IT systems. These improvements will enhance healthcare access, coordination, and public health outcomes, particularly in underserved communities. As a healthcare provider, HHHRC understands the importance of seamless coordination with other entities to ensure high-quality, comprehensive care for the people of Hawai'i.

HHHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawai'i and the Pacific. We work with many individuals impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those related to substance use and mental health conditions, and have also been deeply impacted by trauma related to histories of physical, sexual, and psychological abuse.

Mahalo for the opportunity to provide testimony.