



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
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**Testimony COMMENTING on H.B. 2058 H.D. 1  
RELATING TO WAIANAE COAST COMPREHENSIVE HEALTH CENTER  
EMERGENCY ROOM.**

SENATOR JARRETT KEOHOKALOLE, CHAIR  
SENATE COMMITTEE ON HEALTH

Hearing Date: March 14, 2022

Room Number: 225 &  
Via Videoconference

1 **Fiscal Implications:** The proposed measure appropriates funds out of the general revenues of  
2 the State for fiscal year 2022-2023 to the Waianae Coast Comprehensive Health Center  
3 (WCCHC) for operating costs for its twenty-four-hour emergency department services. The  
4 Department requests that passage of any appropriations in this measure does not replace or  
5 adversely impact priorities in the Executive Budget request.

6 **Department Testimony:** Pursuant to §245-15(6)(C), Hawaii Revised Statutes (HRS), a portion  
7 of the cigarette tax revenues are deposited into the Community Health Center Special Fund (HRS  
8 §321-1.65) and the Department administers those funds. The Community Health Centers Special  
9 Fund currently funds: 1) Purchase of Services (POS) contracts with 13 Federally Qualified  
10 Health Centers (FQHC)—including WCCHC—and one Federally Qualified Health Center Look-  
11 Alike to provide medical (perinatal, pediatric, adult primary care) and support services,  
12 behavioral health care, dental treatment, and pharmaceutical services to uninsured and under-  
13 insured individuals that are at or below 250% of the federal poverty level; 2) A single POS  
14 contract with Hana Health for the provision of comprehensive primary care services and urgent  
15 care (24/7) services; and 3) An additional POS contract with WCCHC to provide emergency  
16 department services, diagnostic laboratory and radiology services, as well as other services  
17 related to the provision of emergency department services at their facility between the hours of  
18 12:00a.m. and 8:00a.m., 365 days a year.

19 Thank you for the opportunity to testify on this bill.



**WAIANAЕ COAST  
COMPREHENSIVE  
HEALTH CENTER**  
www.wcchc.com

COMMITTEE ON HEALTH

Senator Jarrett Keohokalole, Chair  
Senator Rosalyn H. Baker, Vice Chair

Monday, March 14, 2022; 1:00 p.m.; Conference Room 225

**Testimony in Support of HB 2058, HD1:** Relating to the Waianae Coast Comprehensive Health Center Emergency Department

**Submitted By:** Nicholas Hughey, Executive Vice President, Operations on behalf of Richard Bettini, President & CEO, Waianae Coast Comprehensive Health Center

The Waianae Coast Comprehensive Health Center (Health Center) is requesting an increase in support of its 24-hour emergency medical services department. While the Health Center's Emergency Services is an essential part of Hawaii's emergency medical and disaster response, the Center has not received an increase in its state subsidy funding in 13 years. The Health Center is actively attempting to address solutions for lack of an increase and the growing operational deficit this creates.

While the Health Center is able to sustain emergency medical care during day and evening hours, covering the cost of overnight (midnight to 8 a.m.) services is problematic. Unlike all emergency departments located at State and private hospitals, the Health Center is not paid at the commercially prevalent "ER facility fee" by Medicare and Medicaid. Most of the Health Center's Emergency Services patients are in these payment categories or are uninsured. Furthermore, the Waianae Coast Comprehensive Health Center serves a community with a high shortage of doctors and other health care professionals. The shortage of emergency care physicians throughout Hawaii has forced WCCHC to spend significant additional funds each year to acquire board certified emergency medicine providers for the emergency department.

An after-hours subsidy will allow the Health Center to be available for late night and early morning emergencies as well as serving as an important component of Hawaii's disaster response. Over the last 12 years the Health Center has upgraded all aspects of its emergency capability yet continues to absorb increasing losses. During the COVID-19 epidemic, the Center's ER demonstrated an extraordinary response for the Waianae community that had one of the highest, if not the highest, of COVID-19 positive residents.

The Health Center has been receiving \$1,468,000 annually in State support since 2008 for its Emergency Services from midnight to 8:00 a.m. This funding level covers approximately one-third of the emergency department shortfall. The proposed request is for the Health Center and the State to cover the remaining deficit equally.

Our request is to add \$1,400,000 to the current \$1,468,000 subsidy for fiscal year 2022-2023. The Health Center intends to fundraise and make contractual adjustments to offset the remaining deficit.

The Waianae community appreciates the continuous support for this life saving service. Mahalo.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE**

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ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**

TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON HEALTH  
ON  
HOUSE BILL NO. 2058, H.D. 1

**March 14, 2022  
1:00 p.m.  
Room 225 and Videoconference**

**RELATING TO THE WAIANAE COAST COMPREHENSIVE HEALTH CENTER  
EMERGENCY DEPARTMENT**

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 2058, H.D. 1, appropriates an unspecified amount of general funds in FY 23 as a grant pursuant to Chapter 42F, HRS, to the Waianae Coast Comprehensive Health Center, through the Department of Health, for operation of its 24-hour emergency department.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



**Testimony to the Senate Committee on Finance  
Monday, March 14, 2022; 1:00 p.m.  
State Capitol, Conference Room 225  
Via Videoconference**

**RE: HOUSE BILL NO. 2058, HOUSE DRAFT 1, RELATING TO THE WAIANAE COAST  
COMPREHENSIVE HEALTH CENTER EMERGENCY DEPARTMENT.**

Chair Keohokalole, Vice Chair Baker, 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** House Bill No. 2058, House Draft 1, RELATING TO THE WAIANAE COAST COMPREHENSIVE HEALTH CENTER EMERGENCY DEPARTMENT., and offers **PROPOSED AMENDMENTS** for your consideration.

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.

This bill, as received by your Committee, would appropriate an unspecified amount of general funds for fiscal year 2022-2023 as a grant pursuant to Chapter 42F, Hawaii Revised Statutes (HRS), to the Waianae Coast Comprehensive Health Center (WCCHC) for operation of its twenty-four-hour emergency department.

The bill would also take effect on July 1, 2060.

As a member of the HPCA, WCCHC plays a critical role in the provision of essential emergency medical services on the Leeward Coast of the Island of Oahu. As brought to the Legislature's attention last year with House Bill No. 59, House Draft 1 -- that the repeal of the Community Health Center Special Fund would have led to the partial closure of the WCCHC emergency department -- it is vital that all steps be taken to ensure the continual operation of this essential facility.

**Testimony on House Bill No. 2058, House Draft 1**  
**Monday, March 14, 2022; 1:00 p.m.**  
**Page 2**

We note the concerns raised by the Attorney General in testimony to the House Committee on Health, Human Services and Homelessness dated February 15, 2022, in which she noted that this bill might possibly violate Article VII, Section 4, of the Hawaii State Constitution, prohibiting the grant of public money or property to a specified recipient except as allowed in accordance with the standards provided by law (Chapter 42F, HRS).

In that regard, we also observe that the title of this bill, RELATING TO THE WAIANAE COAST COMPREHENSIVE HEALTH CENTER EMERGENCY DEPARTMENT., may render it inoperable as a vehicle for its intended purpose.

We do, however, confirm that there is a need to provide Waianae Coast Comprehensive Health Center (WCCHC) immediate assistance to keep its Emergency Department open on a 24-hour, 7-day per week, 365-day per year basis.

As noted in the Department of Health (DOH's) testimony dated February 15, 2022, a funding mechanism already exists that provides public money to WCCHC's emergency room -- the Community Health Center Special Fund (CHC Special Fund). That mechanism provides funds to WCCHC via a purchase-of-service contract.

If additional funds were transferred from the General Fund to the CHC Special Fund (Line Item HTH-560) in the Budget Bill, House Bill No. 1600, with appropriate proviso language specifying that the additional funds be used to provide emergency department services, diagnostic laboratory and radiology services for leeward communities, Island of Oahu, it would appear that this need might be met.

Of course, this would also be dependent upon the Administration's willingness to release these funds for this purpose, but the threat of closing down the WCCHC Emergency Room for even a short duration would pose a significant and immediate threat to the health, welfare, and safety of the entire Leeward Coast of Oahu.

Accordingly, the HPCA recommends that appropriate amendments be made to House Bill No. 1600. For your information and files, attached please find the Administration's request for Line Item HTH-560, and the balance of the CHC Special Fund, as reported by the DOH on October 3, 2021.

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.

attachments

**EXECUTIVE SUPPLEMENTAL BUDGET  
(IN DOLLARS)**

PROGRAM ID: HTH-560  
 PROGRAM STRUCTURE NO: 050104  
 PROGRAM TITLE: FAMILY HEALTH SERVICES

PROGRAM COSTS	FY 2022			FY 2023			BIENNIUM TOTALS		
	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT APPRN	ADJUSTMENT	RECOMMEND APPRN	CURRENT BIENNIUM	RECOMMEND BIENNIUM	PERCENT CHANGE
OPERATING	250.00*	*	250.00*	250.00*	-1.50*	248.50*	40,326,203	40,145,872	**
PERSONAL SERVICES	27.00**	**	27.00**	27.00**	1.50**	28.50**	162,872,327	165,457,440	**
OTH CURRENT EXPENSES	20,150,599		20,150,599	20,175,604	-180,331	19,995,273	39,750	39,750	
EQUIPMENT	81,948,666		81,948,666	80,923,661	2,585,113	83,508,774	203,238,280	205,643,062	1.18
TOTAL OPERATING COST	102,119,140		102,119,140	101,119,140	2,404,782	103,523,922	203,238,280	205,643,062	1.18
BY MEANS OF FINANCING									
GENERAL FUND	98.50*	*	98.50*	98.50*	2.50*	101.00*	59,518,826	64,523,217	**
	1.00**	**	1.00**	1.00**		1.00**			
	29,759,413		29,759,413	29,759,413	5,004,391	34,763,804	36,949,838	36,888,317	**
	16.00*	*	16.00*	16.00*	0.50*	16.50*	78,805,923	77,101,389	*
	2.00**	**	2.00**	2.00**		2.00**			
SPECIAL FUND	18,474,919		18,474,919	18,474,919	-61,521	18,413,398	25,172,880	24,339,326	**
	119.50*	*	119.50*	119.50*	-5.00*	114.50*	406,882	406,882	*
	12.30**	**	12.30**	12.30**	-1.00**	11.30**			
FEDERAL FUNDS	38,710,996		38,710,996	40,094,927	-1,704,534	38,390,393	203,441	203,441	*
	16.00*	*	16.00*	16.00*	0.50*	16.50*			
	11.70**	**	11.70**	11.70**	2.50**	14.20**			
OTHER FEDERAL FUNDS	12,586,440		12,586,440	12,586,440	-833,554	11,752,886	2,383,931	2,383,931	**
INTERDEPT. TRANSF	203,441	*	203,441	203,441		203,441			*
A R P FUNDS	2,383,931	**	2,383,931	2,383,931		2,383,931			**
TOTAL PERM POSITIONS	250.00*	*	250.00*	250.00*	-1.50*	248.50*	203,238,280	205,643,062	**
TOTAL TEMP POSITIONS	27.00**	**	27.00**	27.00**	1.50**	28.50**			**
TOTAL PROGRAM COST	102,119,140		102,119,140	101,119,140	2,404,782	103,523,922	203,238,280	205,643,062	1.18

## Narrative for Supplemental Budget Requests

FY 2023

Program ID: HTH 560

Program Structure Level: 05 01 04

Program Title: FAMILY HEALTH SERVICES

### A. Program Objective

To improve the well-being of families with a focus on infants, children, and women of child-bearing age by increasing public awareness and professional education, and assuring access to a system of family centered, community-based preventive, early detection, treatment, habilitative and rehabilitative services.

### B. Description of Request

1. HTH 560/CC Add 1.50 full-time equivalent (FTE) temporary for the Hawaii Childhood Lead Poisoning Prevention Program (1.50 temporary/\$0 in other federal funds).

2. HTH 560/CW Transfer Position No. 23189 and change means of financing (MOF) from federal funds to other federal funds (-1.00 temporary/-\$38,921 in federal funds).

3. HTH 560/CT Change MOF from federal funds to other federal funds for 1.00 FTE temporary PN 23189 (1.00 temporary/\$0 in other federal funds).

4. HTH 560/CW Delete from budget split-funded 1.00 FTE permanent PN 15242 (-0.50 permanent/-\$90,156 in other federal funds); (-0.50 permanent/-\$59,706 in federal funds).

5. HTH 560/CF Delete 1.00 FTE permanent position as a result of a reduction-in-force (RIF) (-1.00 permanent/\$0 in federal funds).

6. HTH 560/CW Delete 4.00 FTE permanent position as a result of a RIF (-4.00 permanent/-\$221,976 in federal funds).

7. HTH 560/CW Delete expired grant from budget (-\$743,398 in other federal funds).

8. HTH 560/CG Request general funds for Early Intervention Program services (\$3,601,533 in general funds).

9. HTH 560/CG Request 3.00 FTE permanent positions for Early Intervention Program services (3.00 permanent/\$88,803 in general funds).

10. HTH 560/CW Correct budget error from Act 88, SLH 2021 (-\$1,383,931 in federal funds); (\$1,383,931 in general funds).

11. HTH 560/KC Increase general fund permanent 0.50 FTE PN 120452 to permanent 1.00 (0.50 permanent/\$0 in general funds).

12. HTH 560/CC Add permanent 1.00 FTE special fund PN 93537H (1.00 permanent/\$0 in special funds).

13. HTH 560/CT Change MOF from general funds to other federal funds for PN 22750 (-1.00 permanent/-\$69,876 in general funds); (1.00 permanent/\$0 in other federal funds).

14. HTH 560/CC Change MOF from special funds to 50% special funds and 50% federal funds for permanent PN 117966 (-0.5 permanent/-\$61,521 in special funds); (0.50 permanent/\$0 in federal funds).

### C. Reasons for Request

Item 1. Add 1.00 FTE temporary Human Services Professional IV and 0.50 FTE temporary Environmental Health Specialist IV to perform critical duties for the Hawaii Childhood Lead Poisoning Prevention Program.

Items 2-3. Change MOF for PN 23189 Office Assistant III from Title X which ended in 2020 at the Governor's request due to changes greatly impacting family planning services for men and women of Hawaii. The position will provide much needed support and be funded by the Home Visiting (MIECHV) grant.

Item 4. Delete vacant split-funded Registered Nurse IV position due to lack of funding.

Items 5-6. Delete from budget previously Title V funded permanent PN 14882 and 4.00 permanent Title X positions that were part of an approved RIF in FY 21.

Item 7. Delete from the budget expired "Malama" grant that ended January 31, 2015.

Item 8. Request for a \$3,601,533 general fund increase to perform early intervention services which are mandated under P.L. 108-446, Individuals with Disabilities Education Act, Part C, based on a study conducted by the Western Interstate Commission of Higher Education.



**Narrative for Supplemental Budget Requests  
FY 2023**

Program ID: HTH 560  
Program Structure Level: 05 01 04  
Program Title: FAMILY HEALTH SERVICES

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Item 9. Request to add 3.00 full-time permanent positions that were defunded by Act 9, SLH 2020. The positions are crucial to provide direct service federally mandated early intervention services throughout the State of Hawaii.

Item 10. Critical request to correct a budget error from Act 88, SLH 2021, Legislative Budget Worksheets Seq No. 65-001 to restore general funds that were mistakenly replaced with federal funds that do not exist.

Item 11. Increase permanent 0.50 FTE general fund position to 1.00 FTE in order to meet work demand for the program.

Item 12. Add a new permanent 1.00 FTE position for the Newborn Metabolic Screening Special Fund Program in order to meet program needs.

Item 13. Change MOF from general funds to other federal funds to align this position's funding with the rest of the Home Visiting Services Unit staff.

Item 14. Change MOF from 100% special funds to split 50/50 special funds and federal funds in order assist with the Hawaii Birth Defects Special Fund Program funding recent budget shortfalls.

**D. Significant Changes to Measures of Effectiveness and Program Size**

None.

**Report on Non-General Fund Information**  
for Submittal to the 2022 Legislature

Department: HTH  
 Prog ID(s): HTH 560  
 Name of Fund: Community Health Centers Special Fund  
 Legal Authority: Section 321-1.65, HRS

Contact Name: Leighton Tamura  
 Phone: 733-8365  
 Fund type (MOF): B  
 Appropriation Acct. No.: S 305 H

Intended Purpose: This fund is used for payment of its lawful operating expenditures, including indirect costs.

Source of Revenues: Cigarette tax assessed and collected pursuant to Section 245-3(a), HRS.

Current Program Activities/Allowable Expenses: (1) Purchase of service (POS) contracts to 14 FQHCs to provide medical (perinatal, pediatric, adult primary care) & support services (svcs) to un- and under-insured individuals that are at or below 250% of the federal poverty level. Optional svcs include behavioral health care, dental treatment, & pharmaceutical svcs. (2) POS contract to Hana Health (an FQHC) for the provision of urgent care (24/7), & for comprehensive primary care svcs. (3) POS contract to Waianae Coast Comprehensive Health Ctr (an FQHC) for the provision of 24-hr emergency room svcs.

Purpose of Proposed Ceiling Increase (if applicable): Not Applicable.

Variations: The projected increase in expenditures between FY 2020-21 and beyond is due to an expansion of services to the uninsured besides basic medical care and an increase in the rates paid to providers effective 7/1/19 (FY 2019-20 was lower due to few clients seeking primary care services due to COVID 19).

Financial Data							
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
	(actual)	(actual)	(actual)	(actual)	(actual)	(estimated)	(estimated)
Appropriation Ceiling	12,341,526	12,341,526	12,341,526	12,341,526	12,405,763	12,405,763	12,405,763
Beginning Cash Balance	15,098,841	19,431,853	22,223,396	25,116,093	28,715,600	19,433,452	17,641,926
Revenues	8,800,000	8,700,092	8,121,938	8,419,885	7,741,176	8,800,000	8,800,000
Expenditures	4,466,988	5,880,067	5,229,242	4,820,377	7,023,324	10,591,526	10,591,526
<b>Transfers</b>							
List each net transfer in/out/ or projection in/out; list each account number							
JM7760					(10,000,000)		
Net Total Transfers	0	0	0	0	(10,000,000)	0	0
Ending Cash Balance	19,431,853	22,223,396	25,116,093	28,715,600	19,433,452	17,641,926	15,850,400
Encumbrances	3,707,219	2,917,358	3,106,276	3,716,674	5,346,418	0	0
Unencumbered Cash Balance	15,724,633	19,306,038	22,009,817	24,998,926	14,087,034	17,641,926	15,850,400

Additional Information:

Amount Req. by Bond Covenants							
Amount from Bond Proceeds							
Amount Held in CODs, Escrow Accounts, or Other Investments							