

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

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 WAYS AND MEANS
ON
HOUSE BILL NO. 2392, H.D. 1, S.D. 1

March 23, 2022
10:45 a.m.
Room 211 and Videoconference

RELATING TO HEALTH

The Department of Budget and Finance (B&F) supports immediate passage of this bill.

House Bill No. 2392, H.D. 1, S.D. 1, appropriates \$99,433,565 in general funds in FY 22 and \$71,000,000 in general funds in FY 23 to the Department of Health (DOH) for COVID-19 pandemic mitigation, including vaccinations, distribution of supplies, testing, monitoring, reporting, and related staffing.

B&F notes that Governor's Message No. 12, requesting expeditious consideration of this bill, was received by the Legislature on March 14, 2022. The general funds from the appropriations in this bill will be used to immediately pay invoices to avoid late payment interest charges, and DOH will receive full reimbursement from FEMA for the general funds spent for the COVID-19-related expenditures.

B&F also notes that, with respect to the general fund appropriations 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:

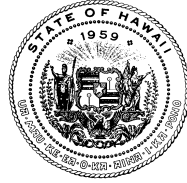
- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support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



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of HB 2392 HD1 SD1
RELATING TO HEALTH**

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

Hearing Date: March 23, 2022

Room Number: 211

Department Testimony: The Department of Health strongly supports HB 2392, HD1 SD1, Relating to Health, with the offered amendment. This measure is necessary to continue to support Department operations and COVID response.

The Department requires the appropriations in this measure to support COVID-19 related services that will be FEMA reimbursed at 100 percent. Our current request is \$99,433,564.58 for fiscal year 2021-2022 and \$71,000,000 for fiscal year 2022-2023. We respectfully request expeditious consideration of this measure to enable the Department to expend these funds at the start of the fourth quarter.

As we are approaching the fourth quarter, the Department does not have funds available to continue to front costs and wait for reimbursement while maintaining our current level of services to the State and community. The funds requested in this emergency appropriation represent a bridge loan to the Department to enable the State to continue to provide community testing services through March 31, 2022, pay for testing and medical surge staffing services previously rendered, and make our programs whole. Attached to this testimony is a worksheet detailing the funding needs.

The Department of Health currently has four projects approved by FEMA; one for vaccinations (November 1, 2020 – April 1, 2022), two for medical surge staffing (August 16, 2021 – November 14, 2021 (Delta) and January 10, 2022 – April 1, 2022 (Omicron)), and one for community testing (July 26, 2021 – December 31, 2021). The Department is working with HIEMA to submit an additional project for community testing for January 1, 2022 – March 31,

2022. All of these projects, including the community testing project currently in process, are to be reimbursed at 100 percent.

To date, the Department has fronted \$35,183,149.24 in General Funds to support community testing across four divisions, Adult Mental Health Division, Developmental Disabilities Division, Family Health Services Division, and Communicable Diseases and Public Health Nursing. Of that, a reimbursement from FEMA of \$21,813,744.07 was received on March 17, 2022. Additionally, the Department received \$7,454,276 in budget restriction on March 16, 2022. This leaves our programs at a deficit of \$5,915,129.17. In addition to this deficit, the Department has also been billed \$29,274,144.18 for community testing services provided in January, creating a current shortfall of \$35,189,273.35. Unfortunately, FEMA reimbursement has been slow coming and to assist the Department in accessing funds sooner, HIEMA and the Department have opted to start a new project for community testing in lieu of extending the existing project through March 31, 2022.

While the Department currently does not have outstanding expenses for medical surge staffing, we anticipate expenses of \$48,900,000 in this fiscal year and \$71,000,000 in the next fiscal year.

The Department has been working with the Governor's Office and the Department of Budget and Finance on this request. GM 12 was transmitted to the Legislature requesting expeditious consideration on March 14, 2022. We appreciate the Legislature's consideration and support as we navigate the pandemic together.

Offered Amendments: The Department respectfully requests Section 2 of the bill be amended to remove vaccinations from the bill as these funds will not pay for vaccination services.

DOH EA Covid Needs (If bill passes in March)

Current Outstanding Obligations	
Community Testing	
Invoices Before Jan	(\$34,824,145.38)
Point of Care Test Kits	(\$359,003.86)
Jan Invoice	(\$29,274,144.18)
Feb Invoice (est)	(\$11,336,691.82)
March Invoice (est)	(\$4,007,599.41)
Interest Estimate (Jan - Mar)	\$0.00
Community Testing Total	(\$79,801,584.65)
Surge Staffing (Delta)	(\$48,900,000.00)
Surge Staffing (Omicron)	(\$71,000,000.00)
Total Surge Staffing	(\$119,900,000.00)
Total Debits	(\$199,701,584.65)
FEMA Reimbursement	\$21,813,744.07
Restriction Release	\$7,454,276.00
Total Credits	\$29,268,020.07
Total Amount Needed	(\$170,433,564.58)
Total Amount Needed FY 22	(\$99,433,564.58)
Total Amount Needed FY 23	(\$71,000,000.00)



March 18, 2022

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

Re: HB 2392 HD1 SD1 – Relating to Health

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 2392, HD1, SD1, which makes an emergency appropriation for coronavirus disease 2019 pandemic mitigation, including vaccination response activities.

HMSA supports the intent of this measure to provide resources to the Department of Health to respond to effectively to the COVID-19 pandemic. We believe that vaccinations are a critical intervention that dramatically decreases the severity of illness as well as the transmission of disease.

Thank you for the opportunity to testify on this measure.

Sincerely,

Matthew W. Sasaki
Assistant Vice President
Government & External Relations



**Testimony to the Senate Committee on Ways and Means
Wednesday, March 23, 2022; 10:45 a.m.
State Capitol, Conference Room 211
Via Videoconference**

RE: HOUSE BILL NO. 2392, SENATE DRAFT 1, RELATING TO HEALTH.

Chair Dela Cruz, Vice Chair Keith-Agaran, 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. 2392, 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.

This bill, as received by your Committee, would appropriate general funds in the amounts of \$99,433,563 for fiscal year 2021-2022, and \$71,000,000 for fiscal year 2022-2023, for coronavirus disease 2019 pandemic mitigation, including vaccinations, distribution of supplies, testing, monitoring, reporting, and related staffing.

This bill would take effect upon its approval.

Ever since COVID-19 hit Hawaii's shores, FQHCs have worked with our partner health care providers and the State Department of Health, the Counties of Hawaii, Kauai, and Maui, and the City and County of Honolulu to plan and implement the enormous task of immunizing Hawaii's citizens. The federal government has helped enormously by fast-tracking the vaccine and paying for the hundreds of millions of doses that will need to be distributed throughout our Nation.

Testimony on House Bill No. 2392, Senate Draft 1
Wednesday, March 23, 2022; 10:45 a.m.
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However, the federal government is not paying for the administrative costs of delivering this medication to citizens. This includes, among other things, the purchase of needles, syringes, personal protection equipment, as well as the time of health care professionals away from their normal duties to perform this added responsibility.

The immunization plan is just one example of how COVID has had a profound systemic impact on all government services provided by the State of Hawaii. There are many more issues just like this that the Administration has had to address immediately and decisively, including those related to civil defense, transportation, human services, health and public safety just to name a few.

This bill would provide desperately needed resources to ensure that public is able to receive vaccinations and boosters as they are needed.

Lastly, we note that while masking and vaccination requirements are easing due to the significant drop in infection cases, we must continue to be prepared and vigilant should another variant surface. **In light of this, 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.

HB-2392-SD-1

Submitted on: 3/19/2022 2:20:18 PM

Testimony for WAM on 3/23/2022 10:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

The State has committed so many Crimes against Humanity acts. That they should all be charged with Crimes Against Humanity witch cares the Death penalty and the people want every one Responsible to be Charged and put away!!!