

LINDA LINGLE
GOVERNOR OF HAWAII



CHIYOME LEINAALA FUKINO, M.D.
DIRECTOR OF HEALTH

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

In reply, please refer to
File:

House Committee on Finance

H.B. 1373, H.D. 1, RELATING TO HEALTH

Testimony of Chiyome Leinaala Fukino, M.D. Director of Health

March 3, 2009, 2:00 pm

- 1 **Department's Position:** The Department opposes this measure due to the implementation of Act 316,
2 SLH 2006, (cigarette tax law) which provides funding for the operations of Federally Qualified Health
3 Centers ("FQHC") through the community health centers special fund.
- 4 **Fiscal Implications:** Unspecified appropriation to be made out of the general revenues of the State for
5 fiscal year 2009-2010.
- 6 **Purpose and Justification:** The purpose of this measure is to appropriate funds to provide direct health
7 care for the uninsured, which may include primary medical, dental, and behavioral health care. The
8 Family Health Services Division currently provides the same services described in Section 2 of the
9 measure for uninsured and/or underinsured individuals whose family income falls within 250% of the
10 federal poverty guidelines. Comprehensive primary care services are procured statewide on a
11 competitive basis and are delivered by both for-profit and non-profit organizations.
- 12 Act 316/2006 (cigarette tax law) established the community health centers special fund for the
13 operations of FQHCs. By the end of fiscal year 2010, it is projected that the amount in the special fund
14 will be \$8,359,337. Therefore, in the Department's Executive Biennium Budget submission for fiscal
15 years 2010-2011, the \$3,545,379 in State funds appropriated for comprehensive primary care services is

H.B. 1373, H.D. 1

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1 being reduced for the FQHCs and will be replaced with the community health centers special fund due
2 to budgetary reductions effectuated by the State's economic downturn.

3 The Department recognizes the importance of community-based organizations in providing
4 access and cost-effective care for Hawaii residents who are uninsured and/or underinsured and is
5 committed to providing primary medical, dental, behavior health, and support services to this
6 population.

7 Thank you for this opportunity to testify on this measure.

8



House Bill 1373, HD 1
RELATING TO HEALTH
House Committee on Finance

Tuesday, March 3, 2009

2:00 pm

Conference Room 208

Aloha members of the House Committee on Finance. OHA **supports** the passage of HB1373, HD1 Relating to Health.

As a member of Papa Ola Lokahi, the Native Hawaiian Health Care Board, the Office of Hawaiian Affairs supports this bill calling for the State of Hawaii to appropriate funds for the most effective and responsive systems of care for Hawaii's uninsured.

As the number of uninsured is sure to rise in the State, near 20,000 were Native Hawaiians in 2003. Uninsured Native Hawaiians live in rural neighbor island communities. We welcome the federal qualified health center's new approach at addressing uninsured and urge the passage of this bill.

Thank you for the opportunity to submit testimony.



Hawai'i Primary Care Association

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To: **The House Committee on Finance**
The Hon. Marcus R. Oshiro, Chair
The Hon. Marilyn B. Lee, Vice Chair

Testimony in Support of House Bill 1373, HD 1

Relating to Health

Submitted by Beth Giesting, CEO

March 3, 2009, 2:00 p.m. agenda, Room 308

The Hawai'i Primary Care Association strongly endorses this measure. Hawai'i is fortunate to have a network of 14 independent nonprofit Community Health Centers that serve 110,000 individuals per year at 47 sites on six islands. In 2007, 31,600 of the people who got care at Community Health Centers in Hawai'i were uninsured. Community Health Centers (also known as "Federally Qualified Health Centers") are a significant part of the health care safety net, meeting the needs of people who have the most complex mixes of social, economic, and health problems. These include people who are homeless, impoverished, uninsured, enrolled in Medicaid and Medicare, who have special language, cultural, or mental health needs, and residents of rural areas.

Community Health Centers provide primary medical, behavioral health, and dental services, and use a model of care – referred to as the Patient-Centered Health Care Home – that maximizes resources while addressing the multiple needs of patients and their families. CHCs intensively manage the care of patients chronically ill with diabetes, asthma, and hypertension and bring their conditions under control. They work with families to link them to needed public insurance and other programs. They make sure patients get prescription drugs through free and discounted pharmaceutical programs like the 340B program. By offering accessible alternatives, Community Health Centers ease emergency room overcrowding and reduce hospitalizations for ambulatory-sensitive conditions. Because of the emphasis on comprehensive primary care coupled with care management, Community Health Centers' care for the uninsured alone saved Hawai'i's health care system \$29 million in 2007.¹

It is our understanding the Department of Health plans to supplant general funds that support care for the uninsured with to-be-collected cigarette tax revenues for FY 2010. While we understand the serious budgetary concerns we as a state face, we strongly urge you to provide separate funds for the uninsured. The new cigarette tax revenues were intended – and desperately needed – for health center expansion of services, improvements in health IT and facilities, quality improvement and compliance needs, and for emergency preparedness. As CHCs always operate on razor-thin margins, these essential costs are always hard to cover and are not otherwise supplemented by state funds. As noted, this modest investment in community health centers reaps a tremendous savings for the state's health care system.

Thank you for the opportunity to testify in favor of this measure which is one of the most important actions the Legislature can take to support Hawai'i's safety net health care system.

¹ According to a study by the Robert Graham Center that used Medical Expenditure Panel Survey Data, the annual cost for care for an uninsured patient served by CHCs is \$922 less than the average for uninsured patients. This figure multiplied by the 31,557 uninsured patients served by HI CHCs in 2007 equals \$29,095,554. The cost margin for publicly and privately insured patients is even greater, with CHCs reducing the cost per patient an average of \$1,810 resulting in a total savings to Hawai'i's health care system of \$194 million.



Democratic Party of Hawaii Kupuna Caucus

March 3, 2009

Re: Testimony

From: Patrick Stanley, Co-Chair Kupuna Caucus, DPH
To: House Committee on Finance

Hearing Date: March 3, 2009, 4:00pm

Measure: HB 1373 Relating to Health Care for the Uninsured

SUPPORTS: The Kupuna Caucus of the Democratic Party of Hawaii supports this measure to provide health care for the uninsured of Hawaii through nonprofit, community-based health care providers . Community health and social services are a vital part of Hawaii's economy, no less than building bridges and housing.

At Convention in 2008, delegates to the DPH State Convention passed Resolution 08-18 calling for adequate health, social, housing and transportation programs for the families of Hawaii's Kupuna. HB 1373 is an important way to do so. We believe that Hawaii can provide the means to protect the working and the non-working uninsured just as we have for most workers through non-bureaucratic, mandatory prepaid health insurance over the past four decades.



HOUSE COMMITTEE ON FINANCE
Rep. Marcus Oshiro Chair

Conference Room 308
March 3, 2009 at 2:00 p.m. (Agenda #5)

Testimony in support of HB 1373 HD 1

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including acute care hospitals, two-thirds of the long term care beds in Hawaii, as well as home care and hospice providers. Thank you for this opportunity to testify in support of HB 1373 HD 1, which appropriates funds for non-profit, community-based health care providers to care for uninsured persons.

Hawaii's community health centers constitute a vital component of Hawaii's health care system. These health centers serve 100,000 of the most needy people in the state, many of whom do not have health care insurance and would otherwise not have access to health care.

The uninsured population in Hawaii has increased in recent years, and is expected to further increase during this economic crisis. Ten years ago the percentage of uninsured in Hawaii was in the low single digits, and Hawaii was proud of having the lowest proportion of uninsured in the nation. At that time, Hawaii was justifiably known as the "Health State." Since then there has been a troublesome increase in the numbers of uninsured people. Today the uninsured population stands at about 10%, and a number of other states now have smaller populations of uninsured people than Hawaii.

Hawaii's community health centers have proven to be effective in providing comprehensive primary care services to residents of poor and disadvantaged communities. In doing so, these health centers help to keep other components of the health care system viable by, for example, reducing the numbers of patients who go to emergency departments in hospitals and reducing the impact of uncompensated care on other providers. Hawaii needs our community health centers to keep its health care system financially viable.

For the foregoing reasons, the Healthcare Association of Hawaii strongly supports HB 1373 HD 1.

LĀNA'Ī WOMEN'S CENTER DBA LĀNA'Ī COMMUNITY HEALTH CENTER

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To: **The House Committee on Finance**
The Hon. Marcus Oshiro, Chair
The Hon. Marilyn Lee, Vice Chair

**Testimony in Support of House Bill 1373, HD1
Relating to Health**

**Submitted by Diana V. Shaw, PhD, MPH, MBA, FACMPE, Executive Director
March 3 2009, 2:00 p.m. agenda, Room 308**

The Lāna'ī Women's Center dba Lāna'ī Community Health strongly endorses this measure. We serve the uninsured, and are a significant part of the health care safety net, meeting the needs of people who have the most complex mixes of social, economic, and health problems. These include people who are homeless, impoverished, uninsured, enrolled in Medicaid and Medicare, who have special language, cultural, or mental health needs, and residents of rural island of Lāna'ī.

We provide primary medical, behavioral health, and dental services, and use a model of care – referred to as the Patient-Centered Health Care Home – that maximizes resources while addressing the multiple needs of patients and their families. Our patients include those chronically ill with diabetes, asthma, and hypertension. We work with families to link them to needed public insurance and other programs. We make sure patients get prescription drugs through free and discounted pharmaceutical programs like the 340B program. By offering accessible alternatives, our organization eases emergency room overcrowding and reduce hospitalizations for ambulatory-sensitive conditions.

It is my understanding the Department of Health plans to supplant general funds that support care for the uninsured with to-be-collected cigarette tax revenues for FY 2010. While I understand the serious budgetary concerns we as a state face, I strongly urge you to provide separate funds for the uninsured. The new cigarette tax revenues were intended – and desperately needed – for health center expansion of services, improvements in health IT and facilities, quality improvement and compliance needs, and for emergency preparedness. As we always operate on razor-thin margins, these essential costs are always hard to cover and are not otherwise supplemented by state funds. We anticipate the health care needs of our island to grow, as unemployment increases. As noted below, this modest investment in community health centers reaps a tremendous savings for the state's health care system.

Thank you for the opportunity to testify in favor of this measure which is one of the most important actions the Legislature can take to support Hawai'i's safety net health care system.

E Ola nō Lāna'ī

LIFE. HEALTH. and WELL-BEING FOR LĀNA'Ī

Date: 3/2/09

To: House Committee on Finance
The Honorable Marcus Oshiro, Chair

From: Kathy Sassi MSN APRN CHCNS-BC FNP

Testimony in Support
House Bill 1373 HD1, Relating to Health
Kathy Sassi, March 3, 2009, 2:00 p.m. Agenda, Room 308

I am a Community Health Clinical Nurse Specialist and a Family Nurse Practitioner who has worked at Waikiki Health Center, currently teach Community Nursing at HPU, and work at Job Corps in Waimanalo. I have the opportunity to see the positive impact Community Health Centers make as well as the need for expanded service. I strongly support this bill which will restore money the community health centers need to continue to provide excellent health care to people who are uninsured. All community health centers keep people from needing emergency room services by providing medical, dental, and behavioral health care, and supplying prescription drugs. They also offer health education to clients and learning opportunities for health professional students including nurses and APRNs and help patients get other services they need to be healthy. I have frequently encountered patients who are uninsured, cannot afford to purchase private insurance and don't qualify for Med-QUEST. They also cannot afford to pay for the full cost of their health care so we rely on this funding from the State.

I am proud of the high quality and compassionate care that Hawaii community health centers provide patients. They contribute to making our community a better place to live by providing health care, jobs, training, and a focus for bringing residents together. When members of the community are employed in their own community in satisfying jobs that contribute to community health there is a positive effect on all. But there are more people in the community we serve who need health care. We ask you to help us help them by increasing funds to care for the uninsured.

Thank you for the opportunity to testify in strong support of this bill.

March 2, 2009

To: House Committee on Finance,
The Honorable Marcus Oshiro, Chair

From: Robert Cooper, board member of the Bay Clinic, a Federally Qualified
Community Health Center in Hilo

Testimony in Support

House Bill 1373 HD1, Relating to Health

Robert Cooper, March 3, 2009, 2:00 p.m. Agenda, Room 308

I am a Board Member of the Bay Clinic in Hilo. I strongly support this bill which will restore money my community health center needs to continue to provide excellent health care to people who are uninsured. I think you would be amazed at all the things that a community health center, such as Bay Clinic provides. We also offers health education and helps patients get other services they need to be healthy. At the Bay Clinic, people who are uninsured cannot afford to purchase private insurance and don't qualify for Med-QUEST. They also cannot afford to pay for the full cost of their health care so we rely on this funding from the State.

If you were to spend some time at one of our health centers you would be surprised at what we do, and how efficient we do it. We also contribute to making our community a better place to live by providing health care, jobs, training, and a focus for bringing residents together. But there are more people in the community we serve who need health care. We ask you to help us help them by increasing funds to car for the uninsured.

Thank you for the opportunity to testify in strong support of this bill.



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KALIHI-PALAMA HEALTH CENTER
Hale Ho'ola Hou – House of New Life

To: House Committee on Finance
The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair

From: Darrin Sato, Chief Operating Officer

Testimony in Support
House Bill 1373, HD1, Relating to Health
Tuesday, March 3, 2009, 2:00 p.m., Room 308

I strongly support this bill which will restore money my community health center needs to continue to provide excellent health care to people who are uninsured. Kalihi-Palama Health Center (KPHC) helps keep people from needing emergency room services by providing medical, dental, and behavioral health care, and supplying prescription drugs. It also offers health education which helps patients get other services they need to be healthy. At KPHC, people who are uninsured cannot afford to purchase health insurance and don't qualify for Med-QUEST. They also cannot afford to pay for the full cost of their health care so we rely on this funding from the State.

Kalihi-Palama Health Center serves one of the neediest neighborhoods in urban Honolulu which has over 20,000 residents. We also care for people – particularly uninsured people – who come from all over the island because we uniquely provide a wide variety of high quality health care with language interpretation services. While Honolulu is not suffering yet from a notable shortage of doctors, there are none who are able to take care of very many people who don't have health insurance.

Because the need for our services is overwhelming, we have grown steadily since opening in 1975 and now have nine clinical sites including a thriving healthcare for the homeless program. However, we still don't come close to meeting all the needs in the communities we serve.

I am proud of the high quality and compassionate care that the Kalihi-Palama Health Center provides all its patients. It also contributes to making our community a better place to live by providing health care, jobs, training, and a focus for bringing residents together. But there are more people in the community we serve who need health care. We ask you to help us help them by increasing funds to care for the uninsured.

Thank you for the opportunity to testify in strong support of this bill.



KALIHI-PALAMA HEALTH CENTER is a 501(c)3 non-profit, federally qualified, community health care center.

KIUCHI & NAKAMOTO
ATTORNEYS AT LAW

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To: **The House Committee on Finance**
The Hon. Marcus Oshiro, Chair
The Hon. Marilyn Lee, Vice Chair

Testimony in SUPPORT of HB 1373, HD1
RELATING TO HEALTH
Submitted by Keith Kiuchi,
Board Member, Kalihi-Palama Health Center
March 3, 2009, 2:00 p.m., Room 308

As a board member of the Kalihi-Palama Health Center, I strongly support this bill.

Kalihi-Palama Health Center (KPHC) helps keep people from needing emergency room services by providing medical, dental, and behavioral health care, and supplying prescription drugs. It also offers health education and helps patients get other services they need to be healthy. At KPHC, people who are uninsured cannot afford to purchase private insurance and don't qualify for Med-QUEST. They also cannot afford to pay for the full cost of their health care so we rely on this funding from the State.

We ask the legislature to increase the amount of funding available for the uninsured for the following reasons:

- Every year, our uninsured appropriation gets used up before the end of the fiscal year.
- Uninsured funds don't pay for all the billable health care services we provide. Only a portion of our dental and behavioral health services are covered.
- The reimbursement rate is inadequate to cover our costs, even if the patient pays part of the bill. State uninsured funds should also help compensate for prescription drugs, diagnostic testing, outreach and follow-up, interpreter services, health education and counseling – all as necessary to improving health as a visit to a doctor.

Thank you for the opportunity to support this bill with my testimony.

To: House Committee on Finance
The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair

From: May Akamine, RN, MS, Executive Director

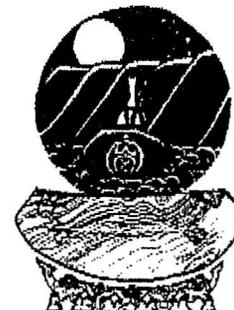
Testimony in Support
House Bill 1373, HD1, Relating to Health
Tuesday, March 3, 2008, 2:00 p.m. agenda, Room 308

I strongly support this bill which will restore money for Community Federally Qualified Health Centers (FQHCs) to continue to provide excellent health care to people who are uninsured. Waimanalo Health Center (WHC) helps keep people from using expensive emergency room services by providing medical and behavioral health care, and supplying prescription drugs. We also offer health education and help patients get other services they need to be healthy. At WHC, people who are uninsured cannot afford to purchase private insurance and do not qualify for QUEST (Medicaid). They also cannot afford to pay for the full cost of their health care so we rely on this funding from the State.

WHC, which serves a Medically Underserved Population (MUP) in a Health Professions Shortage Area (HPSA), is a vital part of Hawaii's health care system providing quality preventive and primary health and social services to our Ko'olaupoko communities targeting Waimanalo's 10,000 residents. We served nearly 4,000 people in 13,000 visits this past year; 30% of our patients have no health insurance. Another 45% have QUEST Medicaid. Not only do we serve the uninsured and underinsured, but also the poor, elderly, at-risk youth, homeless, and many others with financial, cultural, social and other barriers to care. In addition, we serve a large population of Native Hawaiians who have the worst health indicators (hypertension, diabetes, obesity, etc.) compared to other ethnic groups. About 45% of our patients are Native Hawaiian and we're seeing an increasing number of Pacific Islanders. While we continue to grow and expand, our community still has unmet health care and social service needs.

Because 30% of our patients have no insurance, the State Department of Health's Comprehensive Primary Care funds is one of our major sources of funding. With so many growing demands and very few resources, we need to rely on State policy and funding decisions that support us to serve the indigent and those with no insurance. It makes a lot of economic sense to support this bill. If upfront, primary care is provided to Hawaii's people, we will save on the costly Emergency Room and hospitalizations that will, inevitably, be utilized when primary and preventive health care is not sought. I am proud of the high quality and compassionate care that WHC provides all our patients. In addition, we are committed to make our community a better place to live by providing not only health services, but also jobs, training, and bringing our community together.

We appreciate the long-term, unwavering support that the Legislature has given our FQHCs, our patients, and our communities. We urge your support for **HB1373**, which makes an appropriation for health care for the uninsured. Mahalo and Aloha!



Waimanalo Health Center

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Date: 3/2/09

TO: *House Committee on Health,
The Honorable Ryan I. Yamane, Chair*

FROM: *David Peters
Chief Executive Officer
Ho'ola Lahui Hawai'i*

**Testimony in Support
HB 1373 Relating to Health**

Tuesday, March 3, 2009 at 2:00 p.m. (Capitol Room 308)

I strongly support this bill which will restore needed funding to the only community health center on Kaua'i. Given the economic downturn in the past months we are running short of funding to support the current needs. This coupled with the fact that the Governor did not release the additional \$1 million appropriated last year by the legislature. This puts Ho'ola Lahui Hawai'i in a financial bind that can only lead to cuts in staffing and services at our center.

Ho'ola Lahui Hawai'i helps keep people from needing emergency room services by providing medical, dental, and behavioral health care, and supplying prescription drugs. It also offers health education and helps patients get other services they need to be healthy. At Ho'ola Lahui Hawai'i, people who are uninsured cannot afford to purchase private insurance and don't qualify for Med-QUEST. They also cannot afford to pay for the full cost of their health care so we rely on this funding from the State.

Ho'ola Lahui Hawai'i serves the entire island of Kauai which has nearly 62,000 residents, and 10% or 6200 have no health insurance. There is also a shortage of physicians here and none are able to take care of very many people who don't have health insurance.

Ho'ola Lahui Hawai'i is also the Native Hawaiian Health Care System for Kaua'i County which serves Native Hawaiians and their families with services culturally tailored to their needs in our clinics and communities.

We have grown steadily since we started the CHC in 2001 and have two sites in two of the neediest areas of the island: Waimea and Kapa'a. However, we still don't come close to meeting all the needs in the communities we serve.

More than a third of our 6500 patients in 2007 were uninsured and 85% were below 200% of poverty.

Thank you for the opportunity to testify in strong support of this bill.

Date: March 2, 2009

To: House Committee on Finance
The Honorable Marcus Oshiro, Chair

From: Phil Kinnicutt, Board Chair, Waikiki Health Center

**Testimony in Strong Support of
House Bill 1373, Relating to Health**

Phil Kinnicutt, March 3, 2009, 2:00 p.m. Agenda, Room 308

I am the board chair of the Waikiki Health Center. I strongly support this bill which will restore money my community health center needs to continue to provide excellent health care to people who are uninsured.

Thank you for the opportunity to testify in strong support of this bill.