



**Testimony to the House Committees on Human Services and Health
Thursday, February 5, 2009 at 10:30 a.m.
Conference Room 329, State Capitol**

RE: HOUSE BILL NO. 703 RELATING TO HEALTH

Chairs Mizuno and Yamane, Vice Chairs Brower and Nishimoto, and Members of the Committees:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). The Chamber supports House Bill 703 relating to Health.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

This measure appropriates money to match federal funds for medicaid.

The Chamber commends the Legislature for playing an active role in passing legislation that appropriates money to match federal funds in the past couple of sessions.

Quality health care is critical to the people and economy of Hawaii. As one of the largest private industries in Hawaii, the health care industry plays an important role in our economy, particularly through attractive, well-paying jobs and through the purchase of goods and services that contribute to our state's economy. As such, the health care industry plays a crucial role in the economic development and sustainability of our state and all of Hawaii's businesses. Also, Hawaii's healthcare system provides quality care for our families and serves to attract and retain a professional workforce, new companies, and even tourists to our state.

However, the quality healthcare that Hawaii has enjoyed for years is now in jeopardy. It is on the verge of declining because healthcare providers are no longer being paid for essential services at a level sufficient to cover annually increasing costs. The health care system must be maintained and challenges must be addressed.

Therefore, The Chamber supports prescriptions of improvements of the quality of our health care system, which include legislation that will improve payments to health care providers of essential health care services and increase long term care capacity and access statewide.

Appropriating funds to match the federal funding for medicaid is the first step in the right direction to ameliorate the current state of health care in Hawaii.

In light of the above, The Chamber of Commerce of Hawaii supports HB 703. Thank you for the opportunity to testify.

Testimony of
Frank P. Richardson
Vice President and Regional Counsel

Before:
House Committee on Human Services
The Honorable John M. Mizuno, Chair
The Honorable Tom Brower, Vice Chair
and
House Committee on Health
The Honorable Ryan I. Yamane, Chair
The Honorable Scott Y. Nishimoto, Vice Chair

February 5, 2009
10:30 am
Conference Room 329

HB 703 RELATING TO HEALTH (DSH Match)

Chairs, Vice Chairs, and committee members, thank you for this opportunity to provide testimony on HB703 that would appropriate funds to match federal funding for the disproportionate share hospital allowance.

Kaiser Permanente Hawaii supports this bill.

The cost of delivering health care in Hawaii and across the nation continues to mount. In an effort to ensure that health care payments are sufficient to cover the actual costs of care provided to Medicaid patients in hospitals in Hawaii, Kaiser Hawaii supports this measure to appropriate the required state funds necessary to match the federal Medicaid disproportionate share hospital (DSH) appropriation of \$12,500,000 for Hawaii in 2009.

The proposed State appropriation of \$10,181,909, together with the federal appropriation, will help support funding of quality health care for the State of Hawaii's Medicaid population, and provide much needed assistance in covering the actual costs of the care provided.

Thank you for the opportunity to comment.



HOUSE COMMITTEE ON HUMAN SERVICES

Rep. John M. Mizuno, Chair

HOUSE COMMITTEE ON HEALTH

Rep. Ryan I. Yamane, Chair

Conference Room 329

February 5, 2009 at 10:30 a.m.

Testimony in support of HB 703.

I am Rich Meiers of the Healthcare Association of Hawaii which represents 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 strong support of HB 703, which appropriates State funds that are needed to match federal funds. These funds are available to help sustain hospitals providing care to low-income patients who do not have insurance and cannot afford to pay for their care.

The Association would like to acknowledge the efforts of the current administration, Hawaii's Congressional Delegation, and the State Legislature in providing a series of DSH payments to Hawaii's hospitals. It began several years ago when the current administration aggressively pursued and secured federal DSH funds. Subsequent funding was obtained through the assistance of Hawaii's Congressional Delegation. Federal DSH funds have been matched by the Legislature in the past, and we seek that again today.

Hospitals and other health care providers are suffering financially because of low payments by Medicare, Medicaid, and private health care insurers. DSH funding recognizes that hospitals provide care to a substantial number of patients who do not have the financial resources to pay for their care. The \$10.2 million appropriation contained in this bill is the required State match to draw down \$12.5 million in federal funds that are available. The funding would be very much appreciated by the provider institutions. However, it should be noted that the DSH funding covers only a small portion of the total costs of caring for patients who cannot pay for their care.

In addition to supporting Hawaii's hospitals, the federal funds that would be drawn down represent an infusion of money into Hawaii's economy during these harsh economic times.

For the foregoing reasons the Healthcare Association strongly supports HB 703.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 5, 2009

The Honorable John Mizuno, Chair
The Honorable Ryan Yamane, Chair
House Committees on Human Services and Health

Re: HB 703 – Relating to Health

Dear Chair Mizuno, Chair Yamane and Members of the Committees:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of HB 703 which would appropriate state funds to maximize the availability of the federal Disproportionate Share Hospital (DSH) allowance to support Hawaii hospitals.

HB 703 provides an appropriation that would enable Hawaii to receive Disproportionate Share Hospital (DSH) funding from the Federal Government. Congress established the DSH program in 1981 to help ensure that states provide adequate financial support to hospitals that serve a significant number of low-income patients with special needs. However, since 1993, as part of the agreement for the establishment of Med-QUEST, Hawaii has not qualified for DSH dollars. This year, as in last, legislation to provide the state's share would allow hospitals to receive needed funding.

Thank you for the opportunity to testify in support of HB 703.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Diesman".

Jennifer Diesman
Assistant Vice President
Government Relations