

**Testimony to the House Committee on
Legislative Management
Friday, February 13, 2009
2:15 p.m.
Conference Room 423**

**RE: HOUSE BILL NO. 707 RELATING TO MAKING AN APPROPRIATION FOR
THE AUDITOR**

Chair Tokioka, Vice Chair Oshiro, and Members of the Committee:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). I am here to state The Chamber's strong support to House Bill No. 707, relating to Making an Appropriation for the Auditor.

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.

HB 707 provides funding to conduct a financial audit of all federal funds designated for health care and received by the Department of Human Services.

Quality health care is critical to the people and economy of Hawaii and it has consistently been identified by our membership as a priority issue. 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.

The economic-stimulus package that is currently being vetted in Congress will greatly assist the states, including Hawaii, with the current condition. With this assistance, however comes accountability and careful planning.

The liability and responsibility for valid and effective compliance is extraordinarily high. An audit will help to ensure that appropriate reimbursement is properly allocated to programs,

plans, hospitals and health care providers. Equally important is to include a comprehensive inventory of the amounts, sources, and criteria for the federal funds and a complete record of the programs which received them, including the disposition of any offsetting balances created.

Thus, The Chamber respectfully requests HB 707 be passed. Thank you for the opportunity to testify.

Hawaii Pacific Health

55 Merchant Street • Honolulu, Hawaii 96813 • hawaiipacifichealth.org

Friday, February 05, 2009 – 2:15pm
Conference Room 423

The House Committee on Legislative Management

To: Representative James Tokioka, Chair
Representative Blake Oshiro, Vice-Chair

From: Virginia Pressler, MD, MBA
Executive Vice President

Re: **Testimony in Strong Support of HB 707**
Making an Appropriation for the Auditor's Office

Dear Honorable Committee Chairs and Members:

My name is Virginia Pressler, Executive Vice President for Hawaii Pacific Health (HPH). For more than a century, families in Hawaii and the Pacific Region have relied on the hospitals, clinics, physicians and staff of Hawaii Pacific Health as trusted healthcare providers. Our non-profit integrated healthcare system is the state's largest healthcare provider and is committed to improving the health and well-being of the people of Hawaii and the Pacific Region through its four hospitals -- Kapi'olani Medical Center for Women & Children, Kapiolani Medical Center at Pali Momi, Straub Clinic & Hospital and Wilcox Memorial Hospital -- 18 outpatient centers and a team of 1,100 physicians on the islands of Oahu, Kauai and Lanai.

I am writing in strong support of HB 707. This bill would provide funding to conduct a financial audit of all federal funds designated for health care and received by the Department of Human Services.

Because the amount of federal funds is substantial (in excess of \$500 million), the liability and responsibility for valid compliance is correspondingly high. An audit will help to assure that appropriate reimbursement is being made to programs, plans, hospitals and healthcare providers. There is no margin for error, since the state has no monies to repay any defaults for non-compliance.

For purposes of planning and effective allocation of resources, it would also be helpful if the audit also included a comprehensive inventory of the amounts, sources, and criteria for these federal funds and a complete record of the programs which received them, including the disposition of any offsetting balances created.

We strongly support the intent of this legislation and urge you to pass this bill.

KAPI'OLANI
MEDICAL CENTER
AT PALI MOMI



KAPI'OLANI
MEDICAL CENTER
FOR WOMEN & CHILDREN



Straub
CLINIC & HOSPITAL

 **Wilcox Health**



HOUSE COMMITTEE ON LEGISLATIVE MANAGEMENT
Rep. James Kunane Tokioka, Chair

Conference Room 423
Friday, February 13, 2009 at 2:15 pm

Testimony in support of HB 707

I am Rich Meiers, President and CEO of the Healthcare Association of Hawaii, which represents 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. I regret that I cannot attend today's hearing due to a previous commitment.

However, we appreciate this opportunity to express our support of HB 707 which appropriates funds for the auditor to conduct a financial audit of all federal funds designated for health care and received by the Department of Human Services.