

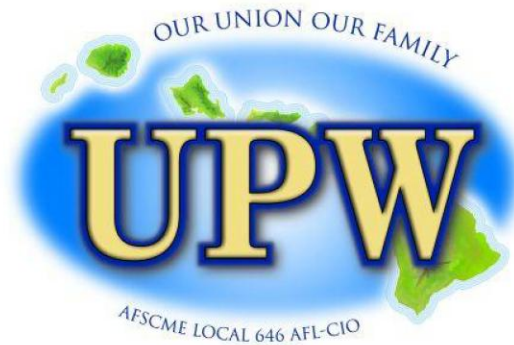
TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1483, H.D. 2

February 22, 2013

RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

House Bill No. 1483, H.D. 2, establishes a task force, which shall consist of: four members appointed by the President of the Senate; four members appointed by the Speaker of the House; and one member to be selected by the other eight members of the task force, to study the feasibility and merits of allowing the operations of one or more regional systems of the Hawaii Health Systems Corporation (HHSC) or their health facilities to transition to public-private partnership status. The task force shall report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the regular session of 2014.

The Department of Budget and Finance is open to exploring various avenues to improve the HHSC's ability to provide quality health services and to increase its economic viability. Because many of the issues in a potential transition are finance and budget-related, we respectfully request that the Director of Finance be included in the task force to aid with this endeavor.



THE HAWAII STATE HOUSE OF REPRESENTATIVES
The Twenty-Seventh Legislature
Regular Session of 2013

COMMITTEE ON FINANCE

The Honorable Rep. Sylvia Luke, Chair
The Honorable Rep. Scott Nishimoto, Vice Chair
The Honorable Rep. Aaron Ling Johanson, Vice Chair

DATE OF HEARING: Friday, February 22, 2013

TIME OF HEARING: 3 p.m.

PLACE OF HEARING: Conference Room 308

**TESTIMONY ON HB1483 HD2 RELATING TO THE HAWAII HEALTH SYSTEMS
CORPORATION**

By DAYTON M. NAKANELUA,
State Director of the United Public Workers, AFSCME Local 646, AFL-CIO

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 11,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

UPW opposes this measure that establishes a task force to study, among other things, the feasibility of allowing the operations of the Hawaii Health Systems Corporation regional systems and their facilities to transition to public-private partnership status.

The Hawaii Health Systems Corporation (HHSC) provides public health services to the most vulnerable in our community. Recipients of Medicare or Medicaid depend upon state health care facilities for their health care needs. Transitioning to public-private partnership status will negatively impact critical health services that so many in our community rely on.

HHSC, one of the largest employers on the neighbor islands, creates job opportunities for our local people. It is vital that we maintain jobs so that residents can afford to keep calling Hawaii home.

Though the transition to public-private partnership status may appear to achieve some cost savings, the ramifications in the long run are of great concern. We encourage the Committees to keep in mind that the purpose of HHSC is to provide a safety net and that this net will be compromised if the transition to public-private partnership status occurs. We respectfully ask that the Committees hold this measure. Thank you for the opportunity to testify.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Seventh Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association
February 22, 2013

H.B. 1483, H.D. 2 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484, H.D. 2 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of H.B. 1483, H.D. 2 and H.B. 1484, H.D. 2. Both bills seek to allowing the regional systems of the Hawaii Health Systems Corporation and their health facilities to transition to non-public status.

The Hawaii Health Systems Corporation operates a system of community hospitals primarily on the neighbor islands. That network provides a safety net of health care, with a Hawaii State Constitutional mandate to ensure access to health care for all citizens. In many instances, care is provided without payment, a cost that our state taxpayers bear to ensure care for all.

To preserve the safety net for the neighbor islands the system must remain intact. If one or more regions were to withdraw from the system, it will create instability through the whole system, both financially and in the types of and mix of services available to local communities. A fragmented health care system is a disservice to Hawaii's people and threatens the long-term viability of the entire health care delivery system. Further, the effort to divest our state's involvement in our health care, and put that responsibility on an Arizona-based provider is short-sighted and not in the best interest of our communities. It is unthinkable that our state will be better off with health care decisions for neighbor islanders being made out of state.

For these reasons, we strongly oppose H.B. 1483, H.D. 2 and H.B. 1484, H.D. 2. Thank you for the opportunity to express our opposition.

Respectfully submitted,

Randy Perreira
Executive Director



HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Quality Health Care for All"

**House Committee on Finance
Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice-Chair
Representative Aaron Ling Johanson, Vice-Chair**

Friday, February 22, 2013
Conference Room 308
3:00 p.m.
Hawaii State Capitol

Testimony Supporting House Bill 1483 HD2, Relating to the Hawaii Health Systems Corporation. Creates a task force to study the transition of HHSC facilities to public-private partnership status.

Bruce S. Anderson, Ph.D.
President and Chief Executive Officer
Hawaii Health Systems Corporation

Hawaii Health Systems Corporation (HHSC) supports the intent of HB 1483 to clarify the powers of the HHSC and regional system boards to enter into public/private partnerships. However, the Board of Directors prefers the original bill, which actually clarified the roles and responsibilities of the various parties and included a provision that clarifies the status of the employees in the new entities. A task force is not needed to review the issues being raised, as the regions involved are already studying the effects of a private partnership on the community, on health care, on employees, and on the operations of the hospital, including finances. Community and employee meetings have begun and will continue throughout the process. In addition, various task forces and private consultants have already studied the issues outlined.

The HHSC Board passed a motion supporting continued discussions with private entities for potential partnerships and other relationships. Therefore, legislation clarifying the roles of the various boards in making decisions could prove valuable.

Thank you for the opportunity to speak in support of the intent of this measure.



Hawaii Health Systems Corporation—Maui Region

February 21, 2013

TO: The Honorable Sylvia Luke, Chair
The Honorable Scott Y. Nishimoto, Vice Chair
The Honorable Aaron Ling Johanson, Vice Chair

Honorable Members of the Committee on Finance

Date: Friday, February 22, 2013

Time: 3pm

Place: State Capitol, Room 308

FROM: Wesley Lo, Chief Executive Officer
Maui Region, Hawaii Health Systems Corporation

SUBJECT: Testimony Regarding HB 1483, HD 2 Relating to Hawaii Health Systems Corporation

Thank you for the opportunity to submit testimony regarding **HB 1483, HD2**. **My testimony is in support of returning HB1483 HD2 to its original form.**

The purpose of HB 1483, HD 2, RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION is to establish a task force to study the feasibility of allowing the operations of the Hawaii Health Systems Corporation regional systems and their facilities to transition to non-public status. It requires a report to the Legislature prior to the 2014 Regular Session. It repeals the task force on June 30, 2105.

In 2009, the State and HHSC had previously commissioned and appropriated money for a study that was mandated by Act 182 to complete and evaluation of HHSC, which included a comprehensive review of operations, as well as recommendations on improvements. This report is known as the “Stroudwater Report”.

The study recommended that “...the corporate partnership strategy be pursued at high velocity in light of the financial status of both HHSC and the State.” At that time, in 2009, the report recommended completing this process within the next 2 to 3 years. It identified the need for continued State support during the transition period.

The report further stated that several key factors brought them to the conclusion that the HHSC corporate partnering strategy is the best option. Relevant portions of three of the factors from the report (p. 82) are:

1. HHSC does not have the experience in operating as a highly integrated healthcare delivery system.
2. A partner will help to accelerate the transition to a higher performing system. Accessing the leadership, management

and technical expertise to achieve the performance potential of a highly integrated health system will take far more time for HHSC to achieve independently than is the case if it were assisted through this process by a more mature system. Given the financial challenges of both HHSC and the State, time is at a premium.

3. At its existing scale, HHSC is not large enough to access the highest levels of healthcare system performance as evidenced by health services research in this arena. For example, large hospital chain operating expenses per discharge are on average 8% lower than comparable services in smaller stand-alone hospitals and systems. Ongoing research by Citibank has found that the difference in operating margins between systems <\$1B in annual revenues vs. systems with >\$3B in annual revenue favors the larger system by a multiple of nearly four. *(Reference to an attached table omitted)*

Based on this report and many other factors, since 2009, the Maui Region has been exploring public-private partnerships.

In addition, the report stated that “Even considering the execution risk related to the recommendations, the financial cost of failure may be less than the long term costs of ever-increasing State subsidies to HHSC. The political will required to make the necessary corporate structure, governance, management and operational changes is considerable.”

As a result, it is felt that approving a new Task Force to study this bill will be redundant; and will not be a “bias” for action for our very fragile healthcare system

The intent of the original form of this bill is to further advance the State’s commitment to provide quality health care by allowing the operations of the regional systems of the Hawaii Health Systems Corporation (HHSC) and their facilities to transition to non-public status.

I believe that a public-private partnership, as allowed under Act 182 (2009), will enable us to move forward by expanding our services and infrastructure at Maui Memorial Medical Center (MMMC) and other public hospitals across the state and enable us to provide our communities with access to the quality health care that they deserve.

Under current conditions, HHSC continues to face financial challenges including increasing operating and capital improvement costs, budget shortfalls, budgetary restrictions, declining government and third-party payer subsidies and lack of scale. These issues are related to declining reimbursements, medical inflation, the Affordable Care Act and the current “fiscal cliff” and federal sequestration. These issues and many others are what bring us here today. We need to find a solution.

Over the last several years, general fund subsidies and reimbursements continue to decline while operating costs continue to climb, resulting in exponential net losses for HHSC facilities. In 2012, the operating losses totaled \$143.5 million, while state subsidies decreased to \$73.4 million, resulting in \$68.9 million in net losses, a 134.4% growth in net losses from 2011.

	2010	2011	2012
Operating Loss	\$(101.1)	\$(111.8)	\$(143.5)
General Fund Subsidy	\$98.3	82.0	73.4
Net Loss	\$(1.5)	\$(29.4)	\$(68.9)

As a result of our limited biennium budget, for the fiscal 2014 and 2015 biennium budget period **HHSC anticipates a \$58.5 million budget shortfall**, which does not factor in pay raises or post-employment benefits.

In addition to the operating shortfalls, HHSC also lacks capital for necessary capital improvements. Some HHSC facilities are in need of major renovations and in few cases need to be replaced. HHSC has stated in its Strategic Plan that it needs approximately \$950 million in capital improvements to take care of aging facilities. However, historically, HHSC has only been getting approximately \$24 million per year (2.4% of the estimated total). This does not even keep up with annual depreciation, so it is anticipated that infrastructure will continue to decline without a massive infusion of capital

Declining subsidies and deteriorating infrastructure will inevitably affect quality of care. HHSC offers the only health care facilities in respective rural areas – MMC is the only full-service acute hospital in Maui County. Our residents require and deserve more and better services which are now limited to Oahu. As a result, many patients are opting to travel to Oahu for perceived better care or for services not available on their island.

I am concerned that as hospital services erode and patient volume decreases, MMC will have no choice but to proportionately size its employee base to match diminishing hospital operations and declining budgets. This is our reality on Maui and across the entire HHSC system.

I will be the first to recognize the outstanding work, dedication and commitment of our medical staff and employees at MMC. These 1,700+ people are the heart of our operation and part of the foundation of our community – they are our neighbors, relatives and our friends and I know the challenges they face each and every day.

With fewer opportunities, it will then become even more difficult to offer better pay and compensation and to maintain and attract new physicians and nurses to provide care in our neighbor island communities, especially with an increasingly aging workforce.

Following the passage of ACT 182 in 2009, we began exploring our options allowed under the law with one goal in mind – ensuring that Maui residents receive the highest level of health care available. Our current structure under HHSC, does not allow for growth of health care services and does not provide competitive compensation for our employees.

Over the past several years, we began discussions with many hospital systems both locally and across the country to discuss public-private partnerships, including Banner Health. We have not come to any definitive agreements with Banner Health

The establishment of a public-private partnership with a company's like Banner Health has far reaching benefits for our community including:

- Access to private capital to expand access and service delivery.

- Private sector compensation packages to retain qualified medical service personnel.
- Create efficiencies of scale and an integrated clinical delivery system with increased resources.
- Develop sustainable model of health care delivery that will lower costs and improve the overall quality of services to the community.
- Improve support of and access to rural communities through electronic ICU and telemedicine platforms.

With the State's limited resources, we have come to point in time where we are running out of options. This is not a case of "living within our means" – the State would need to appropriate an additional \$58.5 million over the next biennium, in addition greatly increase the amount of capital invested in our facilities for us to continue operating at the status quo. And status quo is unacceptable for all of us who live and work on the neighbor islands.

The Maui Region of the HHSC is the largest provider of health care on the neighbor islands and our main priority is to provide quality care for the residents of Maui County at MMMC, Kula Hospital and Lanai Community Hospital. In recent years, we have greatly advanced, however, we can no longer rely on State funding to keep those advancements going. With new federal health care reform, combined with fiscal challenges, we have no choice but to look at innovative alternatives that could help to improve and enhance the delivery of basic health care for our residents.

Thank you for this opportunity to testify on this important measure. Your support passing this measure in its original format would be greatly appreciated and will ultimately benefit the entire community.

Wesley Lo

Regional Chief Executive Officer

Maui Memorial Medical Center

Phone: (808) 442-5100

February 21, 2013

HOUSE COMMITTEE ON FINANCE

Representative Sylvia Luke, Chair

Representative Scott Y. Nishimoto, Vice Chair

Committee Members

Testimony and comments in **SUPPORT of the INTENT** of
HB1483 HD2 – Relating to Hawaii Health Systems Corporation

Thank you for the opportunity to testify and provide comments **in support of the intent of HB1483 HD2**. This bill establishes a task force to study the feasibility of allowing the operations of the Hawaii Health Systems Corporation regional systems and their facilities to transition to non-public status. ***My concern is that the formation of the proposed task force and their findings will repeat many of the efforts and findings that went into the preparation of a previous study conducted by Hawaii Health Systems Corporation (HHSC) in 2009.***

BACKGROUND

As a part of a legislative mandate in Act 162, Section 31 (2009), a study was commissioned by HHSC to prepare a report that shall include but not be limited to the following information:

- (1) A comprehensive facility-by-facility review of operations, detailing efficiencies, deficiencies, and any recommendations for corrective action;
- (2) Overall recommendations on improving effectiveness and efficiencies system-wide;
- (3) Determination of responsibilities of facility administration, regional boards, corporate office, and Hawai'i health systems corporation corporate board;
- (4) Determination of centralized services required by the facilities to be provided by the corporate office;
- (5) Performance benchmarks to be reported to the Legislature prior to the commencement of each regular session and upon request; and
- (6) Recommendations on transition plans deemed necessary;
- (7) Evaluation of effectiveness of the current legal structure and adherence to the state procurement code and salary structure;
- (8) Measures taken to address material control weaknesses and reporting issues cited in audits performed by the state auditor and HHSC's external auditor during fiscal year 2007-2008 and fiscal year 2008-2009;

A report, prepared by Stroudwater Associates, was submitted to Senate President Colleen Hanabusa on December 28, 2009 as detailed in DC56 (2010).

Below are excerpts, beginning on page 65, from the Stroudwater Report that grades the Key Success Factors of each of the four strategic options for HHSC to consider:

HHSC Strategic Options

Each of the four strategic options detailed below assumes that the three essential changes detailed in the prior section (i.e. conversion, operating efficiencies, and efficiencies of scale) are committed to and are being actively pursued. Following the presentation and discussion of options, we have identified the option that we recommend based upon the analysis. We do this with a clear understanding that we are not policy makers for HHSC or for Hawai'i. That is the domain of the HHSC Board and the Legislature. We respect that responsibility of each of these bodies, and present the following material and conclusions as support for your deliberations and decisions. Ultimately, the decision and the responsibility to execute belong to the HHSC Board and management.

Option 1: Region-Centric HHSC with Service Bureau Support Strategy

Key Success Factors	Grade	Discussion
1 High performance capacity governance and management structure	▶	This model places major business oversight responsibilities on the regional boards, which have variable capabilities for assuming the breadth of governance responsibilities required.
2 Access efficiencies of scale and expertise	▼	Voluntary nature of service bureau participation generally results in minimal participation in shared services.
3 Reduce dependence on subsidies	▶	Reduces the potential for efficiencies related to combined scale and expertise, increasing the potential need for subsidies.
4 Identify scope/scale of market needs	▲	Preservation of strong regional boards would provide an ongoing local resource for monitoring community needs.
5 High quality clinical care/patient services	▶	The ability to build common quality and safety programs and the IT infrastructure needed to support this would be compromised.

Option 2: Regional Partnership Break-up Strategy

Key Success Factors	Grade	Discussion
1 High performance capacity governance and management structure	▶	This option would likely add governance strength to the regions as a result of access to leadership in place at larger systems. The strategy could fail one or more individual regions.
2 Access efficiencies of scale and expertise	▲	Depending upon the partner chosen, the scale accessible to each region successfully attracting a partner would most likely increase.
3 Reduce dependence on subsidies	▶	Subsidies would likely disappear for those regions successful in attracting partners. Any that are unsuccessful are at risk of reverting back to a financial dependency relationship with the State.
4 Identify scope/scale of market needs	▲	Likely preservation of regional boards would provide an ongoing local resource for monitoring community needs.
5 High quality clinical care/patient services	▶	There would likely be variation in the level of clinical quality and patient services reflective of the differences that exist among potential partners.

Option 3: Corporate-Centric HHSC Strategy

Key Success Factors	Grade	Discussion
1 High performance capacity governance and management structure	▲	This option re-establishes a contemporary governance system model for HHSC.
2 Access efficiencies of scale and expertise	▲	This option aligns the largely latent opportunities to achieve efficiencies of scale and expertise with the necessary authorities to achieve it.
3 Reduce dependence on subsidies	▼	This option will require ongoing financial support of HHSC by the State, but at a reduced level. Efficiencies of scale, staffing models, some clinical integration, and system improvements are factors reducing the subsidy level.
4 Identify scope/scale of market needs	▲	The preservation of regional boards will provide an ongoing local resource for monitoring community needs.
5 High quality clinical care/patient services	▶	While this option should help create common system-wide standards of clinical care, safety and service, it does not necessarily generate sufficient access to capital in the near and intermediate term to fund investments in people, technology and facilities required.

Option 4: HHSC System Corporate Partnership Strategy

Key Success Factors	Grade	Discussion
1 High performance capacity governance and management structure	▲	This option will add governance strength to the HHSC governance structure.
2 Access efficiencies of scale and expertise	▲	Depending upon the partner chosen, the scale accessible to HHSC facilities should grow dramatically.
3 Reduce dependence on subsidies	▲	Any ongoing financial support with the new system will require documentation and negotiation.
4 Identify scope/scale of market needs	▲	Likely preservation of regional boards would provide an ongoing local resource for monitoring community needs.
5 High quality clinical care/patient services	▲	A single standard of improved clinical care and patient services would be an essential partner requirement.

Below are excerpts from the Executive Summary of the report (pages 9 and 10):

“The fourth strategic option evaluated is an HHSC system corporate partnership strategy. This envisions that HHSC would engage in a formal process as a system to identify a capital/operating partner including both in-state and mainland options to help accelerate its transformation to a high performing contemporary delivery system. This option rests upon the conclusion that as a system HHSC by itself is insufficient in scale to move to the highest levels of performance, and that so many of its basic systems and infrastructure are in need of major updating that it will take the in-place resources of a more advanced system to help it catch up. This will result in a sharing of governance authority between HHSC and a chosen partner.

The study recommends the fourth option as the most effective one for meeting the needs of the people served by HHSC over the short and long terms. It further recommends that this option be pursued at high velocity in light of the financial status of both HHSC and the State. This targets re-structuring of HHSC governance and management, pursuit of operational efficiencies, conversion of HHSC to a 501(c)(3), and immediate pursuit of operational efficiencies identified. It further targets completion of a process for identifying the right partner with which to enter into a transaction. It recommends completing this entire process within the next 2-3 years. It identifies the need for continued State subsidy during the transition period, and ongoing support of the surviving entity based upon need beyond the transition. We recognize that these are aggressive time frames. We also recognize the intensity of financial pressures that motivate this proposed speed. “

Below are excerpts from the Recommended Option and Rational section of the report (pages 80 through 83):

Recommended Option and Rationale

It is important to re-emphasize that any option pursued should be based upon a platform that includes active implementation of the three “essential changes:” Conversion of HHSC to a private non-profit 501(c)(3) corporation, aggressive pursuit of all available operational efficiencies within each region and facility, and maximization of efficiencies of scale as a system. Absent this foundation of change, the ability to achieve any of the four options presented is tenuous at best, and even if an option is successfully implemented the near term results will be significantly constrained.

It is also important to emphasize that these transformation recommendations require extremely difficult challenges related to successful implementation of the “essential changes” and each option. Successful execution will require strong leadership and management, sustained focus and discipline, a sense of urgency, and a commitment to success. While this study did not evaluate leadership and management resources within HHSC, such an evaluation is warranted.

The following two tables summarize the fiscal impact of the “essential change” recommendations on the State and on HHSC operations for the conversion period (FY 2011) and the three succeeding fiscal years. The first table outlines the sources and uses of funds over the period. This includes a large inflow and outflow of dollars in FY 2011 for the initial conversion process, followed by continuing but declining appropriations for the subsidy of hospital operations in the out years. We conclude that the operation a system which includes a series of small remote facilities such as the Critical Access Hospitals and Nursing Homes within HHSC will continue to require approximately \$30 million in ongoing annual operating support.

While the sources and uses table primarily involves State funds, we have built in the impact of the introduction of a capital partner beginning in 2013. Based upon our experience in other markets, we believe that a new partner would likely make a large initial financial infusion into the system to accelerate capital improvements, followed by more modest investments moving forward. A key assumption in this model is that the levels of appropriation are fixed, and that HHSC will need to operate within the restrictions of these appropriations.

Conversion of HHSC into a non-profit 501(c)(3) private corporation
Sources and Uses of Funds (\$000's)

Sources of Funds (\$000's)	State Fiscal Year			
	FY2011	FY2012	FY2013	FY2014
State of Hawai'i General Fund appropriations	\$ 60,000	\$ 50,000	\$ 40,000	\$ 30,000
Capital improvement funds	20,000	10,000		
Capital partner(s) contributions			50,000	20,000
General revenue bonds	255,800			
Total Sources of Funds	335,800	60,000	90,000	50,000

Uses of Funds	State Fiscal Year			
	FY2011	FY2012	FY2013	FY2014
Conversion to 501(c)3				
Payoff of unused vacation	34,000			
Payoff of accrued compensatory time	3,500			
Unpaid workers' compensation claims	18,300			
Total Conversion Cost	55,800			
Recapitalization of HHSC	200,000			
Capital improvement projects and other infrastructure investments	20,000	10,000	50,000	20,000
Continued subsidies for hospital operations	60,000	50,000	40,000	30,000
Total Uses of Funds	\$ 335,800	\$ 60,000	\$ 90,000	\$ 50,000

The second table displays how the various initiatives proposed in the report will result in reducing the system's dependence on the State to an amount required to maintain remote access on the neighbor islands.

We include continued funding from the State for capital projects for FY 2011 and FY 2012 at \$20M and \$10M respectively. It is our assumption that after that time, the recapitalized and reorganized system will be able to access capital funding from other sources such as commercial lenders.

We also assume that as a private non-profit corporation that HHSC will be able to build a base of philanthropy as a routine source of funding. This will be important, since earnings retained by HHSC as detailed in the following table, are insufficient to fully fund future capital needs of an organization of its financial scale.

Reconciliation of subsidies for hospital operations	FY2011	FY2012	FY2013	FY2014
Baseline Operating Losses (Based on HHSC FY 2009 unaudited results)	\$ (120,000)	\$ (120,000)	\$ (120,000)	\$ (120,000)
Reduction in employee benefit costs	81,500	81,500	81,500	81,500
Job conversions and use of local privately owned businesses	1,300	2,600	3,900	5,200
Operational improvements	7,500	15,000	22,500	30,000
Debt service for revenue bonds	(20,000)	(20,000)	(20,000)	(20,000)
Savings from "system" efficiencies	2,000	4,000	6,000	6,000
Operating losses after implementation of all initiatives	(47,700)	(36,900)	(26,100)	(17,300)
Philanthropy	2,500	5,000	7,500	10,000
State subsidies for hospital operations	60,000	50,000	40,000	30,000
Earnings retained by HHSC	\$ 14,800	\$ 18,100	\$ 21,400	\$ 22,700
Capital improvement projects and other infrastructure investments	\$ 20,000	\$ 10,000	\$ 50,000	\$ 20,000

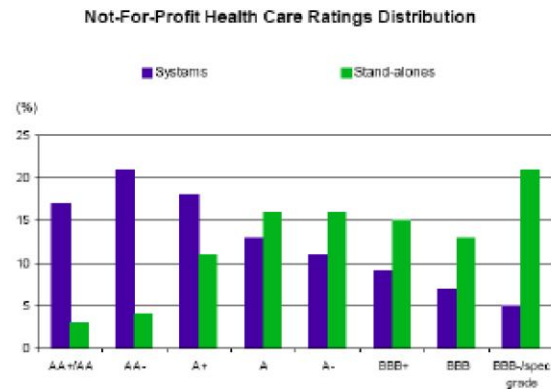
For the State, the projections in the above table exhibit a declining glide path of financial support to HHSC between FY 2011 - FY 2014 of \$80M, \$60M, \$40M, and \$30M.

The study concludes that the best option to pursue on this platform of “essential changes” is Option 4, the HHSC corporate partnering strategy. Based upon our interviews with in-state and mainland systems, we believe that there is sufficient preliminary interest in HHSC following implementation of the “essential changes” to suggest that this is a viable option. It should be emphasized that even if a partner is ultimately unavailable for HHSC, the “essential changes” will result in a far more operationally viable HHSC than is currently the case. Also, we do not advocate for embracing a capital/operating partner based upon terms that are unacceptable in terms of maintaining quality, access, and cost performance levels that meet the stewardship responsibilities of both HHSC and the State.

There are several key factors that bring us to the conclusion that the HHSC corporate partnering strategy is the best option. These include:

1. HHSC does not have experience in operating as a highly integrated healthcare delivery system. It is actually more of a confederation of facilities today and less of a system than it was two years ago. It would benefit from help from an experienced operator with mature system infrastructure, operating knowledge and cultural attributes to successfully complete such a transition.
2. A partner will help to accelerate the transition to a higher performing system. Accessing the leadership, management and technical expertise to achieve the performance potential of a highly integrated health system will take far more time for HHSC to achieve independently than is the case if it were to be assisted through this process by a more mature system. Given the financial challenges of both HHSC and the State, time is at premium.
3. At its existing scale, HHSC is not large enough to access the highest levels of healthcare system performance as evidenced by health services research in this arena. For example, large hospital chain operating expenses per discharge are on average 8% lower than comparable services in smaller stand-alone hospitals and systems.²⁰ Ongoing research by Citibank has found that the difference in operating margins between systems <\$1B in annual revenues vs. systems with >\$3B in annual revenue favors the larger system by a multiple of nearly four. As summarized in the following table, the cost of capital for larger systems is generally lower as well based upon their debt rating profiles.

²⁰ “The Effect of Chain Membership on Hospital Costs,” Health Services Research, June, 1997, Terri J. Menke



4. As noted elsewhere in this report, HHSC is facing a significant challenge in achieving exemplary levels of clinical and service quality. As with other infrastructure challenges, the ability to put into place an effective set of systems in the areas of safety, quality improvement, EMR and clinical decision support services, etc. will take significant time and resources. A helping hand will move this forward more quickly and effectively.

In summary, we believe that a partner will help HHSC to address its challenges and opportunities better, faster, and less expensively than it could achieve on its own.

It is my personal opinion that the establishment of the task force per HB1483 HD2 will be largely repetitive of the work done in 2009 that resulted in the “Stroudwater Report.” The cost to prepare the Stroudwater Report, according the Hawaii Health Systems Corporation Chief Financial Officer was approximately \$500,000. Will the legislature appropriate funds to carry out the work of the proposed task force in HB1483 HD2?

The Stroudwater Report indicated that time is of the essence.

I urge the Committee to amend HB1483 HD2 to allow HHSC to carry out the recommendations of the Stroudwater Report and to restore the original intent of HB1483.

Thank you for this opportunity to testify and provide comments in support of the intent of this important measure.

Respectfully submitted.

Patrick Saka
Chief Administrative Officer
Maui Region, Hawaii Health Systems Corporation
221 Mahalani Street, Wailuku, HI 96793
(808) 244-9056

Written Testimony Presented Before the
House Committee on Finance
Friday February 22, 2013
by
Denise Cohen, PhDc, APRN, MS
Associate Professor of Nursing
University of Hawaii Maui College

HB 1483

Aloha Chair Sylvia Luke and Vice Chairs Scott Nishimoto and Aaron Johanson and members of the Finance committee, thank you for this opportunity to provide testimony in strong support of this bill, HB 1483 with the amendments.

Please support HB 1483 with the amendments. We do not need any additional studies as proposed in amendments. Those studies have already been done and their findings recommended a public private partnership to improve our hospitals on the neighbor islands. Please understand how critical this legislation is to Maui. Already our state-run hospital is sub-standard, and with state budget cuts it is likely to get worse, not better. It is unrealistic to think that the state will ever be able to provide the kinds of funds needed to have a top quality hospital.

Our only hope is to bring in a private non-profit operator such as Banner Health, rated one of the top providers in the country. From a fiscal standpoint this bill makes sense. From a health care standpoint, this bill is critical. The only true objection to this legislation is the HGEA and UPW. They are afraid of change, yet Banner has committed to working with both unions. There are 850 union employees at our hospital. We care about them, but there are also 150,000 residents and millions of visitors on Maui who

also need quality care. Not everyone can fly to Oahu or the mainland to be treated. Please, do what's right for our community. Give us the chance for quality health care by passing HB 1483 with amendments. Financing another study is waste of tax-payers dollars.

Thank you for allowing me to submit testimony in strong support of HB 1483 with the amendments

February 21, 2013

**TO: The Honorable Sylvia Luke, Chair
 The Honorable Scott Y. Nishimoto, Vice Chair
 The Honorable Aaron Ling Johanson, Vice Chair**

Honorable Members of the Committee on Finance

**Hearing Date: Friday, February 22, 2013
Time: 3:00 P.M.
Place: Conference Room 308 -- State Capitol
415 South Beretania Street**

**FROM: Michael H. Dang, M.D.
 Maui Memorial Medical Center**

SUBJECT: Testimony for HB 1483, HD 2 -- Relating to Hawaii Health Systems Corporation

Thank you for the opportunity to submit testimony for **HB 1483 HD 2**. The purpose of this measure is to establish a task force to study the feasibility and merits of allowing the operations of one or more regional systems of the Hawaii Health Systems Corporation, or one or more of its individual health facilities, to transition to non-public status.

My testimony is in support of returning HB1483, HD2 to its original form.

As a cardiothoracic surgeon who has practiced throughout Hawaii for over three decades both on Oahu and the Neighbor Islands, I understand first hand how much a public-private partnership could help ensure our communities throughout the State have high quality, world-class health care.

For decades, I practiced in Honolulu where I operated on patients from all over our State. I have traveled extensively to all Neighbor Islands to provide care, however previously all open heart surgeries needed to go Oahu. That changed a few years ago when Maui Memorial Medical Center (MMMC) started their Cardiothoracic Surgery program, allowing Maui residents the ability to undergo open heart procedures on Maui without needing to travel to Honolulu. Last year, MMMC performed almost 100 open heart surgeries at a level of care that is of very high quality.

MMMC has made giant strides in providing excellent cardiovascular care to the residents of Maui and the Big Island. MMMC can and should be able to provide even more for its residents in the way of technology and additional medical services – but this involves additional expenses. Although the Legislature is responsible for these expenses, the State has too many other obligations, so partnering with private entities affords us an opportunity to have outside financing, management expertise, and advanced medical technology resources.

Change is hard to accept by everyone, physicians, nurses, and the unions, however, the ultimate goal is not about the physicians, nurses, or the unions, but taking care of our communities. We should be worrying about our parents, brothers and sisters, aunties and uncles as in the end this is what really counts.

I believe HHSC needs to have the ability to partner with a private entity, which the original version of this legislation would allow it to do.

Thank you for allowing me to submit testimony. Please feel free to contact me should you have any questions.

Respectfully submitted,

Michael H. Dang M.D.
Cardiothoracic Surgeon
Maui Memorial Medical Center
808-242-2528

House of Representatives
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
Committee on Health
Committee on Labor & Public Employment

February 6, 2013

H.B. 1483 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

IN OPPOSITION TO HB 1483 and HB 1484

Chair Belatti, Chair Nakashima, and members of the Committee on Health and
Committee on Labor & Public Employment:

- 1) Privatization will increase costs and reduce quality.
- 2) Privatization is associated with fraud.
- 3) Privatization will reduce wages and benefits for workers, increasing income inequality on the island.

I have been on the staff of Maui Memorial Hospital Center including taking night and weekend call for 17 years. As a physician, I dedicate myself to patient care. The state selling out to Banner is so sad for the people of Hawai'i. Privatization of health care in Hawai'i will result in poorer care for patients who have no choice as to where to go for health care. The idea that a mainland company will operate to maximize the quality of care to patients is absurd. The company exists to extract money from our hospitals in Hawai'i. That money can only come from patient care and employee salaries and benefits (raising income inequality). Banner does not exist to practice high quality health care. They will try to do without a lot of staff, eg raise the number of patients each nurse cares for, etc. Banner exists to provide high salaries for their executives, not to provide high quality health care to the people. The patients and their insurance companies are simply the source of money Banner seeks to extract from Hawai'i. For every dollar Banner invests in a hospital, they will expect a significant return on that investment that will eventually result in medical decisions being trumped by financial decisions. This is a net outflow of money from Hawai'i which does not provide any health care to our patients. It's a tax. Ah Quan McElrath is turning over in her grave.

Sincerely,

Leslie Hartley Gise MD
Staff psychiatrist
Maui Memorial Medical Center

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 20, 2013 9:28 PM
To: FINTestimony
Cc: jiritani@hhsc.org
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/20/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Joanne Iritani	Maui Memorial Medical Center	Support	No

Comments: I am submitting testimony in support of HB1483 as this bill provides the opportunity to explore organizational, financial, and structural alternatives to the provision of health care services. This bill provides the opportunity for Hawaii Health Systems Corporation to explore options that could improve access, quality, and scope of health care. I respectfully request your support of HB 1483. thank you very much for your consideration.

Please note that testimony submitted less than 24 hours prior to the hearing , improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Date: 2/21/13 Time: 9:20To: 1800 535 3859
Fax #: _____From: Tom Vendetti
Phone: 242-2575
Fax #: 242-2574

Regards:

Testimony - HB 1483 + HB 1484

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House of Representatives
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
Committee on Health
Committee on Labor & Public Employment

February 21, 2013

H.B. 1483 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

IN SYPPORT OF HB 1483 and HB 1484

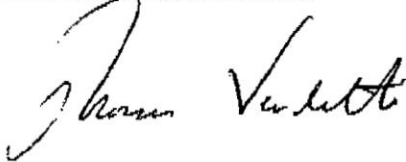
Chair Belatti, Chair Nakashima, and members of the Committee on Health and
Committee on Labor & Public Employment:

I am an employee at Maui Memorial Medical Center and recommend privatizing Maui
Memorial Medical Center. If you were to monitor the hospital you would find much abuse
in terms of overtime abuse, sick time abuse and unrealistic staff-patient ratios that are
costing the tax payers of Hawaii millions of unsustainable dollars.

Banner is a non-profit organization that could clean up this financial disaster, relieving
the State of Hawaii and its citizens of the burden of paying for a broken system of care
that is truly approaching a fiscal crisis.

The bottom-line is the State of Hawaii's tax payers should not have to enable a broken
system of care because employees are afraid of loosing their benefits. It is my
understanding that Banner has a fair employee compensation package.

Sincerely,
Thomas Vendetti
Employee
Maui Memorial Medical Center



**TESTIMONY OF RONALD R. BUNNELL,
EXECUTIVE VICE PRESIDENT, BANNER HEALTH,
ON BEHALF OF BANNER HEALTH,
TO THE HOUSE COMMITTEE ON FINANCE
ON HOUSE BILL 1483 (HD2)**

February 21, 2013

RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

Banner Health strongly supports passage of HB 1483 in its original form. This bill makes a number of adjustments to Chapter 323F of the Hawaii Revised Statutes that will facilitate the transition of all or some of the hospitals and other facilities of the Hawaii Health Systems Corporation (HHSC) to non-public status. In its original form, the bill provides a clear legal framework for HHSC and its regions to negotiate a lease agreement with private healthcare organizations to assume the operation of the HHSC facilities as privatized organizations. The bill in its original form requires that any lease agreement would be subject to the approval of the regional boards involved in any lease transaction, the Attorney General, the Director of the Department of Budget and Finance, and the Governor.

As the Chairman and Committee members are aware, Banner Health has been invited by Maui, East Hawaii and West Hawaii Regions of HHSC to discuss the feasibility of entering into such an agreement. This entails an evaluation of the benefits to HHSC hospitals from Banner assuming operation of these facilities as a part of the Banner Health system. But we cannot emphasize too strongly that this legislation, in its original form, would be needed for any privatization transaction to occur, whether with Banner Health or with another private healthcare

organization. This legislation is not about Banner Health or the specifics of any transaction that may be eventually negotiated with Banner following passage of the bill.

House Bill 1483 is designed to ensure the long-term sustainability of the HHSC facilities as the primary provider for the health care needs of the resident population and visitors in their respective communities, with the long-term goals of decreasing and possibly eliminating the reliance of the HHSC facilities on state operating subsidies while improving their quality of care. HHSC is the nation's fourth largest public health system and has attracted high quality and dedicated physicians, nurses and other health professionals. Yet today, HHSC is at significant risk to sustain the level of support necessary for these health professionals to provide quality care across a broad set of services. The risk is exacerbated by:

- Declining reimbursement levels from Medicare and Medicaid
- Gradual erosion of volume
- A growing need for capital investment that is beyond what HHSC can provide
- Growing discontent by Hawaii taxpayers and elected leaders over an ever-increasing annual operating and capital subsidy to support HHSC operations capital investment needs
- Operation on a scale that is simply too small to realize the full benefits of the technological and knowledge revolution that is going on today in healthcare

HHSC has expressed a desire to address these challenges, but also has recognized that it lacks the resources to do so under the current circumstances and in its current public status. We share the concern of many that the HHSC system is unsustainable over the longer term and, unless fundamental systemic changes are made, it will increasingly struggle to deliver the healthcare

services needed on the neighbor islands, and will fall further behind the dramatic changes taking hold elsewhere in the U.S. healthcare system.

A sustainable vision of improved patient care

As we stated above, House Bill 1483, in its original form, creates a clear legal framework for transitioning HHSC facilities to private operations under leases of the HHSC facilities to the private operators. It may be helpful for members of the Committee to understand what we see as the potential in a transition of the HHSC facilities to affiliation with a major multi-state healthcare system like Banner Health.

A little background about us will provide some context for our vision. Banner Health is a nonprofit, 501(c)(3) corporation which operates 23 owned and leased hospitals in seven states, from Fairbanks, Alaska to Ogallala, Nebraska. Banner is headquartered in Phoenix, Arizona, had approximately \$4.9 billion in annual revenues in 2012, and has 31,000 full-time equivalent employees. Banner Health has received numerous national recognitions, including being twice named one of the top 15 healthcare systems by Thomson Reuters. Banner Health is financially stable, as reflected by our AA- rating by Standard & Poor's and Fitch Ratings.

Our vision for the HHSC facilities would begin with *excellent patient care*. The ability to improve patient care is directly tied to the ability to invest significant resources and implement enterprise-wide systems that support the clinical decision-making of clinicians. For instance, an electronic medical record system (EMR) at the highest level of implementation and adaptation not only creates efficiencies at the bedside, where clinicians utilize the rich data (derived from data derived throughout Banner Health) from the EMR to make the best possible clinical decisions, but also can be used as enabling technology to alert clinicians to the potential of

serious, deadly disorders that, if addressed early on, can be treated more successfully. This resource can be implemented throughout all HHSC hospitals and will offer critical access hospitals the same level of support as there is in larger facilities.

Standard protocols for patient care, based on scientific evidence and reached through clinical consensus groups composed of practicing physicians from throughout the Banner Health system (and including employed and community physicians from the three HHSC Regions), can be implemented in the HHSC hospitals. This can result in more consistently high patient care outcomes. Improved patient care in HHSC hospitals can be further supported by providing the structure for physicians to practice within integrated networks that are able to provide a more coordinated patient experience and more collaborative care.

Specialists caring for the most complex and seriously ill patients who are in intensive care units (ICU) can be available from remote locations via tele-health to consult with their physician colleagues in HHSC hospitals. This is a patient-care approach that can significantly reduce mortality throughout HHSC hospitals, as it has in Banner Health's existing hospitals. This level of support makes it easier to recruit physicians to our smaller, rural communities because such physicians will continue to have levels of technological and specialist support that typically could only be found in larger urban areas. Finally, a sustainable vision of improved patient care must be supported by an economy of scale that reduces the costs of supplies at all HHSC hospitals. Banner brings that scale.

Perhaps the most important benefit that we see for the HHSC facilities is that improved patient care and remote technologies can enable more residents on the neighbor islands to receive ***high quality healthcare close to home***, without having to fly to Honolulu, away from their families and friends. ***New services will be added*** in the HHSC hospitals to meet the more acute needs of

these patients who currently travel off island for their care. These new services will retain the quality clinicians already caring for HHSC patients and attract new quality clinicians to join HHSC. The ability to sustain HHSC as a viable force for good health care in the future for Hawaii citizens and visitors is directly tied to improved patient care.

As we move into the future of healthcare, ***Banner will add new outpatient services*** aimed at improving and maintaining the health of the community. In the healthcare industry, this is called population health management. The communities need many more outpatient locations where they can access primary care services - the key services needed to improve and manage health.

In order for this vision to be realized, Banner has proposed several key elements that would be part of any transaction that would be negotiated with HHSC, within the framework made possible by HB 1483:

- ***A new Collective Bargaining Agreement for current HHSC employees in affected HHSC facilities.*** Banner is committed to working with the HGEA and UPW to develop solutions to the operating issues HHSC is experiencing. It is not feasible for Banner to lease the facilities and operate them effectively unless the employees in the facilities are Banner employees. However, we are prepared to submit an amendment to HB 1483 that would enable HGEA to establish an affiliate to negotiate a new collective bargaining agreement with HHSC that would become effective and binding upon Banner when and if a lease transaction takes place, and enable HGEA to continue to represent those employees as private sector employees. UPW already has this capability. Banner is currently arranging to have direct discussions with the leaders of both unions. Because of the importance of this aspect of the operation of the HHSC facilities, Banner would not

be prepared to assume the risk of a lease transaction for the HHSC facilities unless a new collective bargaining agreement had been negotiated.

- ***Capping the State operating subsidy at 2012 levels and implementing an operating model that should reduce, and possibly eliminate, the subsidy over 8 to 10 years.*** In the initial years, Banner projects that it will incur significant losses, even after the subsidy is paid, as we implement our technologies and operating model. As the benefits of this investment are realized, the clinical, financial and operating performance will improve and reduce the amount of the subsidy.
- ***Banner would provide half of the capital investment needed to execute a jointly agreed upon capital plan.*** This would provide the State with either an immediate 50% savings in the current capital subsidy that is provided to these HHSC Regions, or an infusion of additional capital to make investments needed to improve patient health, access to care and the quality of the care they receive, but that cannot be fully funded by the State. An example of the latter is a much-needed replacement for the Kona Community Hospital.

This is our vision for what the HHSC facilities could achieve if they were to become part of the Banner Health system through the framework made possible by HB 1483 in its original form. Again, we emphasize that the bill is only the first step to making this vision possible, and that there may be other private healthcare systems with equally compelling visions. But we need to start with a clear statutory framework, and that is why HB 1483 is so important.

Thank you for the opportunity to submit this testimony to the Committee.

House of Representatives
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
Committee on Health
Committee on Labor & Public Employment

February 21, 2013

**H.B. 1483 HD2 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION**

**H.B. 1484 HD2 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION**

IN OPPOSITION TO HB 1483 HD2 and HB 1484 HD2

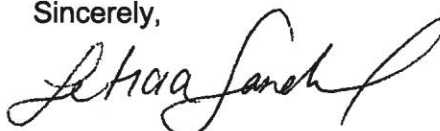
Chair Belatti, Chair Nakashima, and members of the Committee on Health and Committee on Labor & Public Employment:

Thank you for the opportunity to provide testimony in **strong opposition of the language in H.B. 1483 HD2 and H.B. 1484 HD**, which permits the regional systems of the Hawaii health systems corporation and their health facilities to transition to non-public status.

My name is Leticia Sandoval, and I am a Maui resident for 30 years. I strongly oppose the above bills which will permit the regional systems of the Hawaii health systems corporation and their health facilities to transition to non-public status. With regards to its impact in the community, if Banner Health deems services unfeasible to maintain or lack clinical quality, they will cut those vital services and possibly close facilities that our community depends on. For example, Banner Health has minimal experience with services such as long-term care that are currently provided to our community. Additionally, with Banner Health, Hawaii taxpayers' dollars will be supporting and funding a mainland company to provide Hawaii health services. It deeply troubles me that the Legislature is considering this partnership.

I strongly oppose the passage of S.B. 1306. Thank you for the opportunity to provide testimony.

Sincerely,

A handwritten signature in black ink, appearing to read 'Leticia Sandoval', written in a cursive style.

Leticia Sandoval

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 2:00 PM
To: FINTestimony
Cc: tehanib@aol.com
Subject: *Submitted testimony for HB1483 on Feb 22, 2013 15:00PM*

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Tehani Nunez	Individual	Oppose	No

Comments:

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To: FINTestimony
Cc: michael.munekiyo@gmail.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Munekiyo	Individual	Comments Only	No

Comments: Thank you for the opportunity to submit testimony for HB 1483 HD 2, which establishes a task force to study the feasibility of allowing the operations of the Hawaii Health Systems Corporation regional systems and their facilities to transition to non-public status. (Requires report to the Legislature prior to the 2014 Session. Repeals task force on June 30, 2015.) I support returning this bill to its original form, which would allow HHSC to transition to public status because a public-private partnership can provide: • Access to private capital to expand services. • Private sector compensation packages to retain qualified medical service personnel. • Efficiencies of scale and an integrated clinical delivery system with increased resources. • Development of a sustainable model of health care delivery that will lower costs and improve the overall quality of services to the community. Thank you for allowing me to submit testimony. Your support of returning HB 1483, HD2 to its original form would be greatly appreciated.

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Cc: jrtnunez@aol.com
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HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Martin Nunez	Individual	Oppose	No

Comments:

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House of Representatives
The Twenty-Seventh Legislature, State of Hawaii
Regular Session of 2013
Committee on Health
Committee on Labor & Public Employment

February 21, 2013

H.B. 1483 HD2 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

H.B. 1484 HD2 – RELATING TO
THE HAWAII HEALTH SYSTEMS CORPORATION

Chair Belatti, Chair Nakashima, and members of the Committee on Health and Committee on Labor & Public Employment:

Thank you for the opportunity to provide testimony in **strong opposition of the language in H.B. 1483 HD2 and H.B. 1484 HD2**, which permits the regional systems of the Hawaii health systems corporation and their health facilities to transition to non-public status and amends the governance structure of the Hawaii Health Systems Corporation (HHSC).

My name is Marian Hashiro, and I am a Maui resident of nearly six years. I am a concerned citizen questioning our elected officials' views on privatizing our hospital. Banner Health is a national nonprofit hospital system that only wants private employees. If they take over, they will most likely terminate all employees at the Maui Memorial Medical Center, and re-hire only those who pass pre-employment requirements. Banner Health does not believe in unions, and my friends will lose their civil servant service status and their benefits will be lost.

With regards to its impact in the community, if Banner Health deems services unfeasible to maintain or lack clinical quality, they will cut those vital services and possibly close facilities that our community depends on. For example, Banner Health has minimal experience with services such as long-term care that are currently provided to our community. Life expectancy is going up and more and more of our elderly will need care. Many of them fall into the low to middle income range. My mother just turned 75 and lives on her social security income. It is my hope that she will not require long-term care. However, situations occur that is not within our control and there may come a time where long-term care will be necessary. What then? What effective solution(s) do you have?

Additionally, with Banner Health, Hawaii taxpayers' dollars will be supporting and funding a **mainland** company to provide Hawaii health services. It deeply troubles me that the Legislature is considering this partnership. Perhaps we will need to rethink who we vote for, as those elected are not listening/hearing us and do not have the community's best interest at heart.

I strongly oppose the passage of H.B. 1483 and H.B. 1484. Thank you for the opportunity to provide testimony.

Respectfully submitted,



Marian Hashiro

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 2:02 PM
To: FINTestimony
Cc: k9zimm@gmail.com
Subject: *Submitted testimony for HB1483 on Feb 22, 2013 15:00PM*

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Andy Feliciano	Individual	Oppose	No

Comments:

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Cc: snugs171@hawaiiantel.net
Subject: *Submitted testimony for HB1483 on Feb 22, 2013 15:00PM*

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Arlene Jacintho	Individual	Oppose	No

Comments:

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HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Jeannie Moniz-Kekumu	Individual	Oppose	No

Comments:

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To: FINTestimony
Cc: tamar@chotzen.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/20/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Tamar Chotzen Goodfellow	Individual	Support	No

Comments: Dear Chair Luke and Members of the Finance Committee, Please support HB 1483 in its original form. We do not need any additional studies as proposed in amendments. Those studies have already been done and their findings recommended a public private partnership to improve our hospitals on the neighbor islands. Please understand how critical this legislation is to Maui. Already our state run hospital is sub standard, and with state budget cuts it is likely to get worse, not better. It is unrealistic to think that the state will EVER be able to provide the kinds of funds needed to have a top quality hospital. Our only hope is to bring in a private non-profit operator such as Banner Health, rated one of the top providers in the country. From a fiscal stand point, this bill makes sense. From a health care standpoint, this bill is critical. The only true objection to this legislation is the HGEA and UPW. They are afraid of change, yet Banner has committed to working with both unions. There are 850 union employees at our hospital. We care about them, but there are also 150,000 residents and millions of visitors on Maui who also need quality care. Not everyone can fly to Oahu or the mainland to be treated. Please, do what's right for our community. Give us the chance for quality health care by passing HB 1483 in its original form. Mahalo. Tamar Chotzen Goodfellow

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Sent: Wednesday, February 20, 2013 11:29 AM
To: FINTestimony
Cc: steveg@goodfellowbros.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/20/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
steve goodfellow	Individual	Support	No

Comments: Dear Representative Luke and Committee Members, Please support HB 1483 in its original form. The amendment calling for a task force is a waste of time and money. We know we need better health care on Maui, and we know the State will never have the resources to provide it. Banner Health has promised to work with with our public employee unions. Now the unions need to get on board and support what the rest of our community has been asking for, for many years. My company has been a union employer for more than 92 years. Everyone of my several hundred employees deserves top quality health care, on the island where they live and work. We've been living with what the state can provide for years, and lets face it, it's not very good. With budget challenges and federal changes to health care, it is likely to get worse, not better. Not everyone can afford to seek better care on Oahu or the mainland, and being forced to get care elsewhere has both emotional and fiscal costs, because our families and support systems are here at home. Please pass HB 1483 in its original form. We have a top caliber health provider ready toe invest in Maui Memorial and some of our other hospitals. Do the right thing for all of Maui and Pass this Bill. Sincerely, Steve Goodfellow

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 20, 2013 3:02 PM
To: FINTestimony
Cc: leslieann.yokouchi@windermere.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/20/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Leslie-Ann Yokouchi	Individual	Support	No

Comments: I support the Bill in its original form. We don't need more studies! The people of Maui deserves the best medical care possible and this Bill will help to get that for us.

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Sent: Wednesday, February 20, 2013 3:50 PM
To: FINTestimony
Cc: petersonpacific@mac.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/20/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Douglas Peterson	Individual	Support	No

Comments: I support HB1483 and I strongly urge you to support HB1483 in its original form and with NO MORE Studies needed. As I am sure you are aware, Banner has publicly stated that it wants to work with the public employee unions. PLEASE do what is pono for all 150,000 Maui residents and not just for the 850 union employees at the hospital.

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To: FINTestimony
Cc: Mlwong64@gmail.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/20/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Meilee Wong	Individual	Support	No

Comments: No more studies needed!

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Sent: Wednesday, February 20, 2013 6:38 PM
To: FINTestimony
Cc: tonykriegmaui@yahoo.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/20/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Tony Krieg	Individual	Support	No

Comments: Thank you for the opportunity to submit testimony for HB 1483 HD 2, which establishes a task force to study the feasibility of allowing the operations of the Hawaii Health Systems Corporation regional systems and their facilities to transition to non-public status. (Requires report to the Legislature prior to the 2014 Session. Repeals task force on June 30, 2015.) I support returning this bill to its original form, which would allow HHSC to transition to public status because a public-private partnership can provide: • Access to private capital to expand services. • Private sector compensation packages to retain qualified medical service personnel. • Efficiencies of scale and an integrated clinical delivery system with increased resources. • Development of a sustainable model of health care delivery that will lower costs and improve the overall quality of services to the community. Thank you for allowing me to submit testimony. Your support of returning HB 1483, HD2 to its original form would be greatly appreciated

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 20, 2013 10:25 PM
To: FINTestimony
Cc: Karenparadise@excite.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/20/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Karen Williams	Individual	Support	No

Comments: Thank you for the opportunity to submit testimony for HB 1483 HD 2 The purpose of this measure is to establish a task force to study the feasibility and merits of allowing the operations of one or more regional systems of the Hawaii Health Systems Corporation, or one or more of its individual health facilities, to transition to non-public status. I support returning this bill to its original form, which would allow HHSC to transition to public status because a public-private partnership can provide: • Access to private capital to expand services. • Private sector compensation packages to retain qualified medical service personnel. • Efficiencies of scale and an integrated clinical delivery system with increased resources. • Development of a sustainable model of health care delivery that will lower costs and improve the overall quality of services to the community. Thank you for allowing me to submit testimony. Your support of returning HB 1483, HD 2 to its original form would be greatly appreciated.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 20, 2013 10:28 PM
To: FINTestimony
Cc: Davebigwave5@excite.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/20/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Dave Willams	Individual	Support	No

Comments: Thank you for the opportunity to submit testimony for HB 1483 HD 2 The purpose of this measure is to establish a task force to study the feasibility and merits of allowing the operations of one or more regional systems of the Hawaii Health Systems Corporation, or one or more of its individual health facilities, to transition to non-public status. I support returning this bill to its original form, which would allow HHSC to transition to public status because a public-private partnership can provide: • Access to private capital to expand services. • Private sector compensation packages to retain qualified medical service personnel. • Efficiencies of scale and an integrated clinical delivery system with increased resources. • Development of a sustainable model of health care delivery that will lower costs and improve the overall quality of services to the community. Thank you for allowing me to submit testimony. Your support of returning HB 1483, HD 2 to its original form would be greatly appreciated.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 20, 2013 11:03 PM
To: FINTestimony
Cc: sakamoto@maui.net
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/20/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Roy Sakamoto	Individual	Oppose	No

Comments: Representative Sylvia Luke Chair, House Finance Committee Re: HB 1483 HD2 I strongly oppose HB 1483 HD2 as amended from its original form. I urge you and the House Finance Committee to have this bill returned to its original form. The future of healthcare on Maui depends on the original bill. You CANNOT have this assigned to a task force where it will certainly languish and die. The unions and their leaders need to put aside their selfish reasons to oppose the original bill and think about the overall healthcare on Maui and the outer islands.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 6:33 AM
To: FINTestimony
Cc: hokoanaj001@hawaii.rr.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Karin Hokoana	Individual	Support	No

Comments: I strongly support this bill REVISED WITH AMENDMENTS. There are far too many unknown variables and minimal transparency from administrators. Once formed, the task force could and should mandate an independent audit of each individual HHSC facility.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 7:28 AM
To: FINTestimony
Cc: mike.clair@comcast.net
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Clair	Individual	Support	No

Comments: Please support HB 1483 in its original form. We do not need any additional studies as proposed in amendments. Those studies have already been done and their findings recommended a public private partnership to improve our hospitals on the neighbor islands. Please understand how critical this legislation is to Maui. Already our state run hospital is sub standard, and with state budget cuts it is likely to get worse, not better. It is unrealistic to think that the state will EVER be able to provide the kinds of funds needed to have a top quality hospital. Our only hope is to bring in a private non-profit operator such as Banner Health, rated one of the top providers in the country. From a fiscal stand point, this bill makes sense. From a health care standpoint, this bill is critical. The only true objection to this legislation is the HGEA and UPW. They are afraid of change, yet Banner has committed to working with both unions. There are 850 union employees at our hospital. We care about them, but there are also 150,000 residents and millions of visitors on Maui who also need quality care. Not everyone can fly to Oahu or the mainland to be treated. Please, do what's right for our community. Give us the chance for quality health care by passing HB 1483 in its original form.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 7:28 AM
To: FINTestimony
Cc: dj25years@msn.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Joanne Martin	Individual	Oppose	No

Comments: I Oppose the formation of a task force. I believe that this is an unnecessary waste of time and resources. We need to transition from a state operated health care system to one that has the resources and systems to deliver World Class health care on Maui. This does not require more study, it requires taking action for positive change.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 7:44 AM
To: FINTestimony
Cc: Thelloyd@earthlink.net
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Lloyd	Individual	Support	No

Comments: We support hb 1483 in its original form. No more studies needed.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 7:46 AM
To: FINTestimony
Cc: Kaylloyd@earthlink.net
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Kay Lloyd	Individual	Support	No

Comments: We support hb 1483 in its original form. No more studies needed.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 9:11 AM
To: FINTestimony
Cc: bobt@goodfellowbros.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Takamatsu	Individual	Support	No

Comments: We support HB 1483 in its original form. No more studies are needed.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 9:22 AM
To: FINTestimony
Cc: leungstevens@earthlink.net
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Anne Leung-Stevens	Individual	Support	No

Comments: Please support HB 1483 in its original form. We do not need any additional studies as proposed in amendments. Those studies have already been done and their findings recommended a public private partnership to improve our hospitals on the neighbor islands. Please understand how critical this legislation is to Maui. Already our state run hospital is sub standard, and with state budget cuts it is likely to get worse, not better. It is unrealistic to think that the state will EVER be able to provide the kinds of funds needed to have a top quality hospital. Our only hope is to bring in a private non-profit operator such as Banner Health, rated one of the top providers in the country. From a fiscal stand point, this bill makes sense. From a health care standpoint, this bill is critical. The only true objection to this legislation is the HGEA and UPW. They are afraid of change, yet Banner has committed to working with both unions. There are 850 union employees at our hospital. We care about them, but there are also 150,000 residents and millions of visitors on Maui who also need quality care. Not everyone can fly to Oahu or the mainland to be treated. Please, do what's right for our community. Give us the chance for quality health care by passing HB 1483 in its original form.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 9:50 AM
To: FINTestimony
Cc: rogerwailea@gmail.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
ROGER MACARTHUR	Individual	Comments Only	No

Comments: I ask for your support of HB1483 in its present form. I understand that sufficient studies have been conducted that support the Bill . Further delays are not in the best interests of our hospital system in the State of Hawaii. We must move forward to improved fiscal management of these facilities.

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 9:51 AM
To: FINTestimony
Cc: aliceleehawaii@gmail.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Alice L. Lee	Individual	Oppose	No

Comments: I support the bill in its original form which would allow access to private capital/partnerships and help improve and expand needed services for the people of Maui.

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Ruth Paulson

Privatization or “outsourcing” is not the solution for HHSC. When I look down the road and image Maui Memorial under the powers of a private mainland “Walmart” of healthcare I get weary and very concerned for our community. When you look down the road and imagine our States acute care facilities under the control by this mainland mega power what do you honestly imagine? Will our health care access be compromised? Will our hospitals be staffed with a skeleton crew to save money for Banner Healthcare to filter to its mainland facilities? Will we have any say so? Will our friends and relatives still have jobs? Will they be replaced and or outsourced by our mainland Banner Health Care Travelers? Why is it that some believe Banner Healthcare is the solution to our problems? In the past several years we have gone into deficit, why? How? Have we examined how we created our financial situation? Or instead have we put our time and energies not into solving our problems but searching for some entity we believe to be greater than ourselves to save us? How realistic is the outcome once we are “saved”? I believe simply we will be trading our problems for a new set of problems that may be much greater and more complex than the problems we have today. This whole Banner healthcare metaphorical romance that has been put upon us is just that. The metaphor is - just as the “unhappy” lover looking for a new conquest. Grass is always greener on the other side of the hill, until you get there. If we “get there”, creating much wreckage as we enter into marriage with Banner Health Care, we will not be able to get divorced, there will be no turning back. Our new spouse will be a great mainland power with sole command. Is that really what we want for HHSC acute care facilities? Is this the answer? Please be responsibly prudent, and consider the great consequences of your actions when voting on this matter. Please do not support and put a “ thumbs down” to outsourcing to Banner HealthCare.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 10:03 AM
To: FINTestimony
Cc: jlose@hawaii.rr.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
James Lose	Individual	Support	No

Comments: I support HB 1483 as it stands. It should be passed without further studies. We need more health care competition on Maui.

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Sent: Thursday, February 21, 2013 10:29 AM
To: FINTestimony
Cc: mitchell@maui.net
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Donald 'Mitch' Mitchell	Individual	Comments Only	No

Comments: Thank you for the opportunity to submit testimony for HB 1483 HD 2, which establishes a task force to study the feasibility of allowing the operations of the Hawaii Health Systems Corporation regional systems and their facilities to transition to non-public status. (Requires report to the Legislature prior to the 2014 Session. Repeals task force on June 30, 2015.) I support returning this bill to its original form, which would allow HHSC to transition to public status because a public-private partnership can provide: • Access to private capital to expand services. • Private sector compensation packages to retain qualified medical service personnel. • Efficiencies of scale and an integrated clinical delivery system with increased resources. • Development of a sustainable model of health care delivery that will lower costs and improve the overall quality of services to the community. Thank you for allowing me to submit testimony. Your support of returning HB 1483, HD2 to its original form would be greatly appreciated

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Sent: Thursday, February 21, 2013 11:16 AM
To: FINTestimony
Cc: cskidmore@ymail.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Constance Skidmore	Individual	Comments Only	No

Comments: We are residents and believe no further study is needed on this issue. We understand the sensitive nature of several hundred union employees but trust that their situation can be mitigated fairly. The important thing is that for the good of the WHOLE community, we need proper and better health services.

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 11:31 AM
To: FINTestimony
Cc: mcclearyr001@hawaii.rr.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
robert mccleary	Individual	Comments Only	No

Comments: Thank you for the opportunity to submit testimony for HB 1483 HD 2, which establishes a task force to study the feasibility of allowing the operations of the Hawaii Health Systems Corporation regional systems and their facilities to transition to non-public status. (Requires report to the Legislature prior to the 2014 Session. Repeals task force on June 30, 2015.) I support returning this bill to its original form, which would allow HHSC to transition to public status because a public-private partnership can provide: • Access to private capital to expand services. • Private sector compensation packages to retain qualified medical service personnel. • Efficiencies of scale and an integrated clinical delivery system with increased resources. • Development of a sustainable model of health care delivery that will lower costs and improve the overall quality of services to the community. Thank you for allowing me to submit testimony. Your support of returning HB 1483, HD2 to its original form would be greatly appreciated

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 11:37 AM
To: FINTestimony
Cc: COLE3090@YAHOO.COM
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
LOUIS COLE	Individual	Support	No

Comments: Please support HB 1483 in its original form. We do not need any additional studies as proposed in amendments. Those studies have already been done and their findings recommended a public private partnership to improve our hospitals on the neighbor islands. Please understand how critical this legislation is to Maui. Already our state run hospital is sub standard, and with state budget cuts it is likely to get worse, not better. It is unrealistic to think that the state will EVER be able to provide the kinds of funds needed to have a top quality hospital. Our only hope is to bring in a private non-profit operator such as Banner Health, rated one of the top providers in the country. From a fiscal stand point, this bill makes sense. From a health care standpoint, this bill is critical. The only true objection to this legislation is the HGEA and UPW. They are afraid of change, yet Banner has committed to working with both unions. There are 850 union employees at our hospital. We care about them, but there are also 150,000 residents and millions of visitors on Maui who also need quality care. Not everyone can fly to Oahu or the mainland to be treated. Please, do what's right for our community. Give us the chance for quality health care by passing HB 1483 in its original form.

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February 20, 2013

TO: The Honorable Sylvia Luke, Chair
The Honorable Scott Y. Nishimoto, Vice Chair
The Honorable Aaron Ling Johanson, Vice Chair

Honorable Members of the Committee on Finance

Hearing Date: Friday, February 22, 2013

Time: 3:00 P.M.

**Place: Conference Room 308 -- State Capitol
415 South Beretania Street**

FROM:

SUBJECT: Testimony for HB 1483, HD 2 -- Relating to Hawaii Health Systems Corporation

Thank you for the opportunity to submit testimony for **HB 1483 HD 2**. The purpose of this measure is to establish a task force to study the feasibility and merits of allowing the operations of one or more regional systems of the Hawaii Health Systems Corporation, or one or more of its individual health facilities, to transition to non-public status.

I support returning this bill to its original form, which would allow HHSC to transition to public status because a public-private partnership can provide:

- Access to private capital to expand services.
- Private sector compensation packages to retain qualified medical service personnel.
- Efficiencies of scale and an integrated clinical delivery system with increased resources.
- Development of a sustainable model of health care delivery that will lower costs and improve the overall quality of services to the community.

Thank you for allowing me to submit testimony. Your support of **returning HB 1483, HD 2 to its original form** would be greatly appreciated.

Respectfully submitted.

Donna McCleary,md

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 11:45 AM
To: FINTestimony
Cc: mauilatina@gmail.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Hernandez	Individual	Oppose	No

Comments: I am an RN working at Maui Memorial Medical Center and I oppose this takeover as this is a mainland company that does not utilize unions and I would like to keep my benefit package and have worked here for six years. There has to be another way. Please kokua and oppose this bill.
Thank You, Andrea Hernandez

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 11:50 AM
To: FINTestimony
Cc: joycet@halemakua.org
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Joyce Tamori	Individual	Support	No

Comments: Thank you for the opportunity to submit testimony for HB 1483 HD 2, which establishes a task force to study the feasibility of allowing the operations of the Hawaii Health Systems Corporation regional systems and their facilities to transition to non-public status. (Requires report to the Legislature prior to the 2014 Session. Repeals task force on June 30, 2015.) I support returning this bill to its original form, which would allow HHSC to transition to public status because a public-private partnership can provide: • Access to private capital to expand services. • Private sector compensation packages to retain qualified medical service personnel. • Efficiencies of scale and an integrated clinical delivery system with increased resources. • Development of a sustainable model of health care delivery that will lower costs and improve the overall quality of services to the community. Thank you for allowing me to submit testimony. Your support of returning HB 1483, HD2 to its original form would be greatly appreciated.

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Gina Flammer
P.O. Box 2418
Wailuku, Hawaii 96793

February 20, 2013

TO: Sylvia Luke, Chair
Scott Y. Nishimoto, Vice Chair
Aaron Ling Johanson, Vice Chair, and
Members of the Committee on Finance

Hearing Date: Friday, February 22, 2013
Time: 3:00 P.M.
Place: Conference Room 308 -- State Capitol

SUBJECT: Testimony for HB 1483, HD 2 -- Relating to HHSC

Thank you for the opportunity to submit testimony for **HB 1483 HD 2**. The purpose of this measure is to establish a task force to study the feasibility and merits of allowing the operations of one or more regional systems of the Hawaii Health Systems Corporation, or one or more of its individual health facilities, to transition to non-public status.

I support returning this bill to its original form, which would allow HHSC to transition to public status. There are many advantages to allowing this type of arrangement; specifically public-private partnerships can provide better quality for our island's residents. On Maui and the Big Island the state acute care hospitals are the only hospitals. We have moved long beyond a minimum quality of care expected from a state safety net hospital. The state's long term care facilities also can provide better care, but need capital and resources the state can not afford to provide.

Our healthcare system nationwide is dramatically changing. Integrated delivery of care is needed to provide better care from primary through hospice. The state's system is to only manage the operations of their facilities. This model is outdated and in an environment where massive subsidies are needed from taxpayers, it only makes sense to allow our system to grow and expand in a manner that provides better fiscal management and improved quality.

A public private partnership can provide for efficiencies of scale and an integrated clinical delivery system with considerably increased resources. Maui and the Big island deserve facilities with state of the art medical equipment. A partnership can also bring higher standards of care along with better facilities. Our residents deserve the best care we can provide them.

Thank you for allowing me to submit testimony. Your support of **returning HB 1483, HD 2 to its original form** would be greatly appreciated.

Respectfully submitted.

Gina Flammer

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 12:24 PM
To: FINTestimony
Cc: jzapotocky99@gmail.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
John Zapotocky	Individual	Support	No

Comments: I support HB 1483 in its original form.

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February 21, 2013

TO: The Honorable Sylvia Luke, Chair
The Honorable Scott Y. Nishimoto, Vice Chair
The Honorable Aaron Ling Johanson, Vice Chair

Honorable Members of the Committee on Finance

Hearing Date: Friday, February 22, 2013

Time: 3:00 P.M.

**Place: Conference Room 308 -- State Capitol
415 South Beretania Street**

FROM:

SUBJECT: Testimony for HB 1483, HD 2 -- Relating to Hawaii Health Systems Corporation

Thank you for the opportunity to submit testimony for **HB 1483 HD 2**. The purpose of this measure is to establish a task force to study the feasibility and merits of allowing the operations of one or more regional systems of the Hawaii Health Systems Corporation, or one or more of its individual health facilities, to transition to non-public status.

I support returning this bill to its original form, which would allow HHSC to transition to public status because a public-private partnership can provide:

- Access to private capital to expand services.
- Private sector compensation packages to retain qualified medical service personnel.
- Efficiencies of scale and an integrated clinical delivery system with increased resources.
- Development of a sustainable model of health care delivery that will lower costs and improve the overall quality of services to the community.

Thank you for allowing me to submit testimony. Your support of **returning HB 1483, HD 2 to its original form** would be greatly appreciated.

Respectfully submitted,

BJ Ott
230 W Waiko road
Wailuku, HI 96793

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 1:44 PM
To: FINTestimony
Cc: michael@grancorp.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
michael heijer	Individual	Support	No

Comments: I support this bill because more than 150,000 full time residents on Maui want and need high quality health care and i believe this Bill will help that mission. I think a private/public partnership will help out saving money and at the same time provide the best possible health care for the Maui residents. Thank You, Michael Heijer

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Finance Committee Chair & Members,

Submitting this testimony in opposition of HB 1483 HD2 & HB 1484 HD 2.

I am a 58 year old life-long resident of Maui County & am strongly opposed to the privatization of Maui Memorial Hospital of any other of our public hospitals/clinics. It is truly unfair to subject our local citizens to a mainland run health care system. I'm sure you all know as well as I do what happens when a private service takes over a public one. A private organization is always a "for profit" organization. Therefore, the price of services will start to increase and eventually reach an astronomical amount and any service that does not make a profit will be done away with. What will we be subjected to once this happens!

Please vote "NO" on these bills & leave our health care facilities alone! Thanking you in advance for your support.

A voting citizen,
Cindy Phillips
Haiku, HI 96708

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 20, 2013 1:55 PM
To: FINTestimony
Cc: bmills@mills-group.com
Subject: *Submitted testimony for HB1483 on Feb 22, 2013 15:00PM*

HB1483

Submitted on: 2/20/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Bill Mills	Individual	Support	No

Comments:

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FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 7:28 PM
To: FINTestimony
Cc: STANCOBB@HAWAII.RR.COM
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
STANLEY COBB	Individual	Support	No

Comments: We support HB 1483 in its original form. No more studies are needed.

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