

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

**Testimony in SUPPORT of H.B. 2466, H.D. 1 PROPOSED S.D. 1
RELATING TO NON-GENERAL FUNDS**

SENATOR JILL N. TOKUDA, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: March 23, 2016

Room Number: 211

1 **Fiscal Implications:** No additional resources are required to conduct a study per HB2466 HD1
2 PROPOSED SD1.

3 **Department Testimony:**

4 Supportive Testimony for HB246 HD1 PROPOSED SD1

5 The department supports the intent of HB2466 HD1 PROPOSED SD1 with amendments.
6 Although declining tax revenues are a direct result of successful tobacco control efforts, new
7 forms of nicotine delivery like e-cigarettes and vaping are on the rise. Furthermore, prevention
8 and management of long-term health consequences from smoking, such as cancer, hypertension,
9 stroke, and cardio-vascular disease will require significant public health and health care
10 investments.

11 A serious evaluation on public health program needs is warranted to assure a healthy population
12 and sustainable health care system. To this end, the department recommends the following
13 amendments to HB2466 HD1 PROPOSED SD1:

- 14 • Establish the Department of Health and the Department of Budget and Finance as co-
15 leads on this study
- 16 • Expand the scope of the study to consider other sources of revenue, in addition to
17 distribution of current revenue sources

18 Comments on HB2466 HD1

The Department of Health (DOH) wishes to provide comments on potential unintended consequences if HB2466 HD1 is enacted, including disruptions to existing contracts and the employment status of 6.0 FTE:

- Domestic Violence and Sexual Assault Special Fund – 1.0 FTE who coordinates multidisciplinary domestic violence fatality reviews, including suicides, and near deaths related to intimate partner violence conducted to reduce the incidence of preventable deaths.
- Birth Defects Special Fund – 5.0 FTE who support families having healthy babies and to provide accurate information to support or disprove theories about increased number of babies born with birth defects or possible causes of birth defects, including current work on:
 - Investigating rates of birth defects in babies born to mothers reporting Kauai residency are higher due to the concern about pesticide use on Kauai, and
 - Monitoring any babies born with birth defects due to the Zika virus by working with birthing facilities to provide weekly reports.
- Community Health Center Special Fund – Loss of procurement exemptions derived from the special fund will add time-consuming administrative burdens and subject the 14 community health centers to open competition in the provision of urgent/primary care services and emergency room services for communities that already medical underserved.

Thank you for this opportunity to testify.

Offered Amendments

SECTION 2. (a) The department of health and department of budget and finance shall jointly conduct a study on the distribution of the cigarette tax revenues.

(b) The study shall include the following:

- 1 (1) Estimated total revenues derived from the cigarette tax
2 through fiscal year 2024-2025;
- 3 (2) Estimated distribution of cigarette tax revenues among the
4 non-general funds specified in section 245-15(6), Hawaii
5 Revised Statutes, through fiscal year 2024-2025;
- 6 (3) Estimated budgetary needs of the agencies and programs
7 supported by the non-general funds listed in section 245-
8 15(6), Hawaii Revised Statutes, through fiscal year 2024-
9 2025; ~~and~~
- 10 (4) Differences between the estimated budgetary needs of the
11 agencies and programs under paragraph (3) and their
12 estimated cigarette tax revenue distribution[-];
- 13 (5) Alternative means of finance, including distribution of new
14 or existing revenue sources that will sustain or increase
15 program operations and effectiveness; and
- 16 (6) An assessment of future tobacco products utilization,
17 including estimates of resources or efforts to mitigate
18 their impact.
- 19 (c) The department of health and department of budget and
20 finance shall include a recommendation in the study of whether to:
 - 21 (1) Continue the cigarette tax revenue distribution to the non-
22 general funds, with or without modification; ~~or~~
 - 23 (2) Re-distribute all or most of the cigarette tax revenues to
24 the general fund and change the means of financing of
25 affected agencies and programs to general funds[-]; or

1 (3) Any combination of revenue redistribution, change in means
2 of finance, or revenue generation that may assure program
3 effectiveness.

4

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

RODERICK K. BECKER
DEPUTY DIRECTOR

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

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

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 2466, H.D. 1, PROPOSED S.D. 1

March 23, 2016
9:15 a.m.

RELATING TO NON-GENERAL FUNDS

House Bill No. 2466, H.D. 1, Proposed S.D. 1, requires the Department of Budget and Finance (B&F) to conduct a study of the re-distribution of cigarette tax revenues.

B&F recognizes the importance of addressing the issue of declining cigarette tax revenue and the distribution of cigarette tax revenue and provides the following comments.

First, this measure requires that the findings of this study be submitted to the Legislature and Governor by November 1, 2016. At this time, we are unsure whether the proposed study could be completed by the required deadline due to time and staffing constraints.

Second, a preliminary review of the cigarette tax distribution indicates that apart from the Hawaii cancer research special fund, there is no clear nexus between the cigarette stamp tax and the special funds to which the cigarette tax revenues are distributed. As of June 30, 2015, out of the 16.0 cents collected on each cigarette or little cigar sold: 2.0 cents per cigarette is deposited to the Hawaii cancer research

special fund; 1.125 cents per cigarette, but not more than \$7,400,000 in a fiscal year, is deposited to the trauma system special fund; 1.25 cents per cigarette, but not more than \$8,800,000, is deposited to the community health centers special fund; and 1.25 cents per cigarette, but not more than \$8,800,000, is deposited into the emergency medical services special fund; and the remaining 10.375 cents per cigarette is deposited to the general fund. Special or revolving funds should reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program to meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes.

Lastly, we note that this measure does not include any appropriation language that would allow the B&F to conduct this study. We recommend that appropriation language be included should this measure move forward.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Study redistribution of cigarette tax revenues

BILL NUMBER: HB 2466, Proposed SD-1

INTRODUCED BY: Senate Committee on Ways and Means

EXECUTIVE SUMMARY: Because of the success of tobacco cessation education and programs, as well as hiking the smoking age, consumption of tobacco products is on the decline, as is the revenue from the tobacco tax. In the past our legislature has chosen to fund key programs such as the UH Cancer Center with earmarked revenue from the tobacco tax. The programs relied on continued revenue from the earmarks and are now feeling pain because it is not coming in. This study is supposed to tell us where we go from here.

BRIEF SUMMARY: Requires the Department of Budget and Finance to conduct a study of the distribution of cigarette tax revenues. Appropriates \$50,000 for the study.

The study is to include: (1) estimated total revenues derived from the cigarette tax through fiscal year 2024-2025; (2) estimated distribution of cigarette tax revenues among the non-general funds now fed by the cigarette tax, through fiscal year 2024-2025; (3) estimated budgetary needs of the agencies and programs supported by the non-general funds now fed by the cigarette tax, through fiscal year 2024-2025; and (4) differences between (2) and (3).

Based on the results of the study, B&F is to recommend whether to (1) continue the cigarette tax revenue distribution to the non-general funds, with or without modification; or (2) redistribute all or most of the cigarette tax revenues to the general fund and change the means of financing of affected agencies and programs to general funds.

Requires the study's findings and recommendations to be submitted to the legislature and governor by November 1, 2016.

EFFECTIVE DATE: July 1, 2016.

STAFF COMMENTS: As the Foundation's previous President, Lowell Kalapa, wrote in the Tax Foundation of Hawaii's weekly commentary on October 28, 2012:

Lawmakers seem to have a simplistic reaction to solving problems the solution to which plagues their constituents – tax it.

Probably the best example is what people like to call sin taxes, those excise taxes that are levied on tobacco and alcohol products. After all, smoking causes cancer and alcohol causes all sorts of problems including driving under the influence. Lawmakers and community advocates shake their heads and push for higher tax rates, arguing that making these products more expensive will deter folks from using these products.

The problem is that lawmakers also like the revenues that are generated from the sales of these products and, in some cases, they have tried to link the use and sale of these products with noble causes such as the funding of the Cancer Research Center that is currently being built. Again, the argument is that smokers should pay for programs and projects which seek to cure the related ill which in this case is cancer caused by smoking.

The irony is that arguments to increase the tax on tobacco and, more specifically, cigarettes, is a goal of getting smokers to quit while depending on the revenues from tobacco and cigarette taxes to fund an ongoing program, in this case the Cancer Research Center. So, which is it folks, stop smokers from smoking and if successful, there won't be any revenues to fund the Cancer Research Center?

The fact of the matter is that it appears that both locally and nationally, higher taxes on cigarettes is having an effect on smokers as, for the first time, tax collections on the sale of cigarettes have fallen below the previous year's tax collections. Certainly some of the decline is due to smokers actually quitting, but to some degree one has to suspect that some purchases were made via mail order from exempt Indian reservation outlets while others may be what is called gray market purchases, that is from sources outside the country.

What should come as a surprise is that most of the folks who have quit are of some means as they are more likely to recognize the health hazard caused by use of this product. That means most of those who are still smoking are among the lower-income members of our community. Thus, the tax is regressive, generating less and less collections from middle and higher-income individuals.

As predicted, programs that have been fed by earmarks from the tobacco tax, like the Cancer Research Center, have become a victim of the success of tobacco cessation programs and publicity. Revenues produced by the tobacco tax have been in steady decline over the past few years, and hoisting the smoking age to 21 in the 2015 session certainly didn't reverse the trend.

Do we really need an elaborate study to tell ourselves that fiscal reliance on earmarked funds from a sin tax is dangerous?

Digested 2/27/2016

TO: SENATOR JILL N. TOKUDA, CHAIR
SENATOR DONOVAN M. DELA CRUZ, VICE CHAIR

MEMBERS OF THE SENATE COMMITTEE ON WAYS AND MEANS

FROM: CHERYL VASCONCELLOS, EXECUTIVE DIRECTOR
HANA HEALTH

DATE: March 21, 2016

TESTIMONY ON HB 2466 HD1 SD1
RELATING TO NON-GENERAL FUNDS

Hana Health supports HB2466 HD1 SD1 which calls for a study to examine the disbursement of all cigarette tax monies and for the Department of Budget and Finance to make a recommendation as to either (1) continue cigarette tax revenue distribution to non-general funds, with or without modification, or (2) re-distribute to general funds and change the means of financing affected organizations.

Since, its inception, the Community Health Center Special Fund has provided Hana Health with a stable funding mechanism, assuring that needed medical care and support services would continue to be available in the Hana community. Prior to establishment of the special fund, Hana Health was forced to secure an appropriation through the legislative process every year. This unpredictable approach to maintaining health care operations in our remote community results in erratic service delivery and subsequently poor patient outcomes.

Please assure that financing is available to meet the health care needs of our extremely vulnerable resident population, as well as the 600,000 visitors to the area annually who would be placed at undue risk if urgent/emergent care is no longer available. Thank you for your consideration.



Senate Committee on Ways and Means
The Hon. Jill N. Tokuda, Chair
The Hon. Donovan M. Dela Cruz, Vice-Chair

Testimony in Support of House Bill 2466 HD1 SD1
Relating to Non-General Funds
Submitted by Robert Hirokawa, CEO
March 23, 2016, 9:15 a.m., Room 211

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, **supports** House Bill 2466 HD SD1, which requires the Department of Budget and Finance to conduct a study on the distribution of the cigarette tax revenues.

Hawaii Revised Statutes § 245-15 was passed as a tax charged to wholesalers and dealers with the of discouraging smoking and allocating resulting funds to effective sources in the prevention and treatment of disease and injury. Among those places deemed as an effective source was community health centers, which has contracted with the Department of Health to provide comprehensive primary care services to uninsured/underinsured individuals across the state.

In 2014 alone health centers provided tobacco use screening and cessation intervention to more than 70% of adult patients. In addition, more than 78% of asthma patients, and 70% of hypertensive patients with high cholesterol received treatment at health centers.

This level of screening and intervention is only possible through the continued support of the allocated tobacco tax monies. Each year health centers continue to see high amounts of uninsured patients, and even greater numbers of underinsured. The funds received from the tobacco tax are vital to ensuring that operations continue uninterrupted for the centers.

Realizing the growing concern for the declining revenues generated by the tax, health centers support a study to analyze what funding is being generated and how it is being disbursed in the community. They, along with the Hawaii Primary Care Association, would be glad to take part in any resulting discussions and assist in any way possible to make certain that such funding continues to be used effectively and efficiently.

For these reasons, we support this measure, and thank you for the opportunity to testify.



THE SEX ABUSE TREATMENT CENTER

A Program of Kapi'olani Medical Center for Women & Children

Executive Director
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Dennis Dunn

Councilmember
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Linda Jameson

Michael P. Matsumoto

Robert H. Pantell, MD

Joshua A. Wisch

DATE: March 23, 2016

TO: The Honorable Jill Tokuda, Chair
The Honorable Donovan Dela Cruz, Vice Chair
Senate Committee on Ways and Means

FROM: The Sex Abuse Treatment Center
A Program of Kapi'olani Medical Center for Women and Children

RE: Testimony Providing Comments on H.B. 2466, H.D. 1, and on H.B. 2466,
H.D. 1, Proposed S.D. 1
Relating to Non-General Funds

Good morning Chair Tokuda, Vice Chair Dela Cruz, and members of the Senate Committee on Ways and Means.

The Sex Abuse Treatment Center (SATC) would like to submit the following comments for the Committee's consideration, concerning H.B. 2466, H.D. 1—which would reduce the revenues of the Department of Health Domestic Violence and Sexual Assault Special Fund (DVSASF) established under Hawaii Revised Statutes (HRS) Section 321-1.3 by over 90% and provide a general fund appropriation to the Department of Health—and our preference for the proposed S.D. 1.

It is our understanding that Part III of H.B. 2466, H.D. 1, responds to the State Auditor's recent report suggesting that the DVSASF's primary source of revenue, fees from vital records, be cut off. In the auditor's view, a clear link between the vital records fees and the domestic and sexual violence prevention and response programs supported by DVSASF did not exist.

The SATC respectfully disagrees with this finding, as the relationships and life events documented in vital records are directly and negatively impacted by domestic violence and sexual assault, a clear link between the source of revenue in question and the programs that they fund. We submit that it is appropriate and reasonable that fees related to vital records continue to provide revenue to the DVSASF.

We further appreciate the intent in H.B. 2466, H.D. 1, to replace the vital records fees revenue with a comparable State General Fund appropriation. However, we believe that specifically dedicated funds are warranted for the establishment and maintenance of domestic violence and sexual assault prevention services. Allowing the DVSASF to retain its current primary revenue sources would reflect an affirmative policy decision to ensure the ongoing prioritization of violence prevention in the State of Hawaii.

Therefore, we note our preference for the proposed S.D. 1, which removes all reference to the DVSASF and would allow it to continue Hawai'i's dedicate support for and prioritization of violence prevention efforts.


Thank you for this opportunity to testify.

WAIKIKI HEALTH

MEDICAL & DENTAL • PREVENTIVE CARE • SOCIAL SERVICES

277 Ohua Avenue • Honolulu, Hawaii 96815

TO: Senate Committee on Ways and Means
The Hon. Jill N Tokuda, Chair
The Hon. Donovan M. Dela Cruz, Vice Chair

From: Sheila Beckham 
CEO, Waikiki Health

RE: Testimony in Support of House Bill 2466 HD1 SD1

Date: March 23, 2016, 9:15 am, Room 211

Waikiki Health, a federally qualified community health center, supports House Bill 2466 HD1 SD1 which requires the Department of Budget and Finance to conduct a study on the distribution of the cigarette tax revenues.

In 2015, Waikiki Health provided tobacco screening to nearly 100% of its patients. Smoking cessation is offered to all patients who screen positive for tobacco use. Tobacco screening and tobacco treatment/cessation services are currently supported with funds from the tobacco tax which is vital to the continuation of services to reduce or alleviate the number one preventable cause of death.

For these reasons, we support HB 2466 HD1 SD1. Thank you for the opportunity to testify.

LĀNA'I COMMUNITY HEALTH CENTER

P. O. Box 630142
Lāna'i City, HI 96763-0142



Phone: 808-565-6919 x114
Fax: 808-565-9111
dshaw@lanaicommunityhealthcenter.org

The Community is our Patient -- men, women, children, uninsured, insured!

March 21, 2016

Senate Committee on Ways and Means

The Hon. Jill N. Tokuda, Chair

The Hon. Donovan M. Dela Cruz, Vice-Chair

Testimony in Support of House Bill 2466 HD1 SD1

Relating to Non-General Funds

Submitted by Diana M V Shaw, PhD, MPH, MBA, FACMPE

Executive Director

March 23, 2016, 9:15 a.m., Room 211

The Lāna'i Community Health Center (LCHC) which represents the federally qualified community health centers in Hawaii, **supports** House Bill 2466 HD SD1, which requires the Department of Budget and Finance to conduct a study on the distribution of the cigarette tax revenues.

Hawaii Revised Statutes § 245-15 was passed as a tax charged to wholesalers and dealers with the of discouraging smoking and allocating resulting funds to effective sources in the prevention and treatment of disease and injury. Among those places deemed as an effective source was community health centers, which has contracted with the Department of Health to provide comprehensive primary care services to uninsured/underinsured individuals across the state.

In 2014 alone health centers provided tobacco use screening and cessation intervention to more than 70% of adult patients. In addition, more than 78% of asthma patients, and 70% of hypertensive patients with high cholesterol received treatment at health centers.

This level of screening and intervention is only possible through the continued support of the allocated tobacco tax monies. Each year health centers continue to see high amounts of uninsured patients, and even greater numbers of underinsured. The funds received from the

E Ola nō Lāna'i

LIFE, HEALTH, and WELL-BEING FOR LĀNA'I

tobacco tax are vital to ensuring that operations continue uninterrupted for the centers.

Realizing the growing concern for the declining revenues generated by the tax, health centers support a study to analyze what funding is being generated and how it is being disbursed in the community. We would be glad to take part in any resulting discussions and assist in any way possible to make certain that such funding continues to be used effectively and efficiently.

For these reasons, we **support** this measure, and thank you for the opportunity to testify.



March 22, 2016

TO: COMMITTEE ON WAYS AND MEANS
Senator Jill Tokuda, Chair
Senator Donovan Dela Cruz, Vice Chair

FROM: Richard P. Bettini, President and CEO
Waianae Coast Comprehensive Health Center
697-3457 or wcchc@wcchc.com

RE: Support for HB 2466 SD1: Relating to Non-General Funds

The Waianae Coast Comprehensive Health Center (WCCHC) strongly **supports House Bill 2466 SD1**, which requires the Department of Budget and Finance to conduct a study on the distribution of the cigarette tax revenues.

Protecting the Community Health Center Special Fund is of utmost importance to vulnerable communities served by community health centers throughout the State.

Funding of services to the uninsured through all community health centers and emergency medical services provided by Waianae Coast Comprehensive Health Center and Hana Health require a long-term plan and commitment such as has been the intent of the Community Health Center Special Fund.

The repeal of the Community Health Center Special Fund under HB 2466 HD1 without adequate impact analysis and the uncertainties of placing any balance in the General Fund could have several negative unintended consequences. There is no plan as to what process this will take to ensure there is no gap in services or assurance of stable funding should HB2466 HD1 take effect July 1, 2016.

SD1 is a responsible approach that would allow time for a proper assessment of where cigarette tax monies are being disbursed and how much is actually needed and used by receiving entities.

Realizing the growing concern for the declining revenues generated by the cigarette tax revenues, WCCHC supports a study to analyze what funding is being generated and how it is being disbursed in the community and to be part of discussions to make certain that such funding continues to be used effectively and efficiently.

WCCHC fully SUPPORTS the WAM Committee's proposed HB2466 SD1.



TO: Senator Jill Tokuda, Chair
Senator Donovan DelaCruz, Vice-Chair
COMMITTEE ON WAYS AND MEANS

FR: Mary Oneha, APRN, PhD
Chief Executive Officer, Waimānalo Health Center

Date: Wednesday, March 23, 2016
9:15am, Conference Room 211

RE: Support HB 2466 HD1 SD1 Relating to Non-General Funds

The Waimānalo Health Center (WHC) **supports HB 2466 HD1 SD1**, requiring the Department of Budget and Finance to conduct a study of the re-distribution of cigarette tax revenues.

Waimanalo Health Center has seen an increase in the number of visits per person diagnosed with a tobacco use disorder. Nearly 99% of patients aged 18 and older are screened for tobacco use, and if found to be a tobacco user, receive cessation counseling intervention. Over 2,000 patients received these services in 2015.

WHC also addresses the health effects of smoking or tobacco use including heart disease and stroke, respiratory diseases, and cancer. We have seen an increase in the number of patients diagnosed with heart disease in 2015. Yet, cigarette smoking is the **leading preventable cause** of death in the United States.

In addition, the cigarette tax revenues allow the Department of Health to contract with community health centers to provide comprehensive primary care services to the uninsured/underinsured. Despite the presence of the Connector/healthcare.gov, WHC still has a substantial number of patients who are uninsured (over 600). We anticipate that there will always be those who are uninsured for a variety of reasons and many who are underinsured.

This level of service is only possible through the continued support of the allocated tobacco tax monies. For these reasons, WHC supports HB2466 HD1 SD1. Thank you for the opportunity to provide testimony.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: wscruggs@hepa.net
Subject: Submitted testimony for HB2466 on Mar 23, 2016 09:15AM
Date: Tuesday, March 22, 2016 6:22:21 AM

HB2466

Submitted on: 3/22/2016

Testimony for WAM on Mar 23, 2016 09:15AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|--------------------|--------------------|
| William Scruggs | Hawaii ACEP | Comments Only | No |

Comments: Thank you for the opportunity to comment on HB2466 SD1 PROPOSED. Our organization is primarily concerned with access to appropriate emergency care for residents and visitors to Hawaii. Hawaii Poison Control and the emergency department at Waianae Coast Comprehensive Health Center play an essential role in the health care safety net of our state. We appreciate the proposed changes to the bill and support further study of the potential impact of the suggested changes to the funding of multiple important health care entities in Hawaii. We understand the need to reassess the funding associated with cigarette tax revenue. As the legislature oversees that process, we hope that the life saving impact of Hawaii Poison Control and emergency services at WCCHC will be recognized and their funding maintained.

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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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: heihachi29@gmail.com
Subject: Submitted testimony for HB2466 on Mar 23, 2016 09:15AM
Date: Tuesday, March 22, 2016 1:56:35 PM

HB2466

Submitted on: 3/22/2016

Testimony for WAM on Mar 23, 2016 09:15AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|--------------------|--------------------|
| Alicia Turlington | Individual | Oppose | No |

Comments: I OPPOSE HB2466 HD1 but SUPPORT HB2466 SD1. As a physician at a community health center, it is of extreme importance that care be taken before consideration of cutting crucial funding. The health centers across the state provide care to vulnerable communities. We are the only place for many people to go. Please support HB2466 HD1 SD1 which will allow the time needed to study and figure out this urgent issue.

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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COMMITTEE ON WAYS AND MEANS

Senator Jill N. Tokuda, Chair

Senator Donovan M. Dela Cruz, Vice Chair

Testimony on House Bill 2466, HD1, SD1

Relating to Non-General Funds

March 23, 2016 - Conference Room 211

Submitted by [Cristina C. Vega](#)

Dear Members of the Senate Committee on Ways and Means,

I urge you to support HB 2466 HD1 SD1 to conduct a study for the redistribution of cigarette tax revenues. Please do not support the previous draft of the bill HB2466, HD1. Continue to preserve and protect the Community Health Centers Special Fund

Hawaii's uninsured residents and the Community Health Centers (CHC) that serve them continue to have a critical need for the tobacco tax funds that are allocated to the CHC special fund. This special fund has allowed CHC's to provide basic primary care services, including tobacco prevention the treatment of tobacco related illnesses, to a large group of Hawaii's residents who would otherwise go without primary care, necessitating more costly emergency, hospital or long term care services.

Those who benefit from this CHC special fund are hard-working people, some of them waiting for the 5 year period before they become eligible for Federal benefits, another group not eligible for Federal health benefits, and a third group that are between jobs and between enrollment periods. Many of them work multiple part time jobs and do not therefore receive health benefits.

Thank you for supporting for our community.



KOKUA KALIHI VALLEY COMPREHENSIVE FAMILY SERVICES

**2239 N. SCHOOL STREET ♦ HONOLULU, HAWAII 96819 ♦ TEL: 808-791-9400 ♦ FAX:
808-848-0979 ♦ www.kkv.net**

Senate Committee on Ways and Means

The Hon. Jill N. Tokuda, Chair

The Hon. Donovan M. Dela Cruz, Vice-Chair

Testimony on House Bill 2466 HD1 SD1

**Submitted by David Derauf MD MPH
Kokua Kalihi Valley (KKV)**

March 23, 2016

Dear Members of the Senate Committee on Ways and Means,

Thank you for the opportunity to testify with regards to HB2466 HD1 SD1.

HB2466HD1 SD1 has been introduced in to study the best way to fund the CHCs, whether through a Special Fund in existence now, or through alternative means. We support this careful study.

The CHC Special Fund was created by the Hawaii Legislature some years ago to support care for the uninsured population in Hawaii and to support activities related to tobacco and its health effects. The passage of Obamacare has done little to dent the size of KKV's uninsured population. At Kokua Kalihi Valley, as many as 25- 30% of our patients in our Medical clinics are uninsured. These are almost all Kalihi Valley residents, many of them waiting for the 5 year waiting period before they become eligible for Federal benefits, another group not eligible for Federal health benefits and a third group those that are between jobs, and between enrollment periods. Many of them work multiple part time jobs and do not therefore receive health benefits from work.

While we appreciate the challenge the Legislature is facing regarding too many special funds, we also know that the loss of this funding would mean many more patients would be unable to access basic primary care in our community. Our ability to SERVE our community relies on funding that is *reliable*. Without knowing if we have this funding from year to year, how can we commit to hire and train the competent doctors and nurses who are called to this service? We would likely have no other options but to cut back services meaning these patients would go without care, or utilize already overburdened and expensive emergency room services. We therefore support SD1 to study the BEST mechanism to fund this CRITICAL work in our communities!

Providing Medical & Dental Services, Health Education, Family Planning, Perinatal, WIC and Social
Services to

Kalihi Valley residents since 1972. Neighbors being neighborly to neighbors.

Thank you for your support to our community.

David D Derauf MD MPH

Providing Medical & Dental Services, Health Education, Family Planning, Perinatal, WIC and Social
Services to
Kalihi Valley residents since 1972. Neighbors being neighborly to neighbors.

COMMITTEE ON WAYS AND MEANS

Senator Jill N. Tokuda, Chair

Senator Donovan M. Dela Cruz, Vice Chair

Testimony on House Bill 2466, HD1, SD1

Relating to Non-General Funds

March 23, 2016 - Conference Room 211

Submitted by Doris Segal Matsunaga, Aiea Hawaii

Dear Members of the Senate Committee on Ways and Means,

I urge you to support HB 2466 HD1 SD1 to conduct a study for the redistribution of cigarette tax revenues. Please do not support the previous draft of the bill HB2466, HD1. Continue to preserve and protect the Community Health Centers Special Fund.

Hawaii's uninsured residents and the Community Health Centers (CHC) that serve them continue to have a critical need for the tobacco tax funds that are allocated to the CHC special fund. This special fund has allowed CHC's to provide basic primary care services, including tobacco prevention the treatment of tobacco related illnesses, to a large group of Hawaii's residents who would otherwise go without primary care, necessitating more costly emergency, hospital or long term care services.

Those who benefit from this CHC special fund are hard-working people, some of them waiting for the 5 year period before they become eligible for Federal benefits, another group not eligible for Federal health benefits, and a third group that are between jobs and between enrollment periods. Many of them work multiple part time jobs and do not therefore receive health benefits.

Thank you for supporting for our community.

COMMITTEE ON WAYS AND MEANS

Senator Jill N. Tokuda, Chair

Senator Donovan M. Dela Cruz, Vice Chair

Testimony on House Bill 2466, HD1, SD1

Relating to Non-General Funds

March 23, 2016 - Conference Room 211

Submitted by Dr Jason Y Hiramoto, Manoa Hawai'i

Dear Members of the Senate Committee on Ways and Means,

I urge you to support HB 2466 HD1 SD1 to conduct a study for the redistribution of cigarette tax revenues. Please do not support the previous draft of the bill HB2466, HD1. Continue to preserve and protect the Community Health Centers Special Fund

Hawaii's uninsured residents and the Community Health Centers (CHC) that serve them continue to have a critical need for the tobacco tax funds that are allocated to the CHC special fund. This special fund has allowed CHC's to provide basic primary care services, including tobacco prevention the treatment of tobacco related illnesses, to a large group of Hawaii's residents who would otherwise go without primary care, necessitating more costly emergency, hospital or long term care services.

Those who benefit from this CHC special fund are hard-working people, some of them waiting for the 5 year period before they become eligible for Federal benefits, another group not eligible for Federal health benefits, and a third group that are between jobs and between enrollment periods. Many of them work multiple part time jobs and do not therefore receive health benefits.

Thank you for supporting for our community.

SENATE COMMITTEE ON WAYS AND MEANS

**TESTIMONY IN SUPPORT OF HB 2466 HD.1, PROPOSED SD 1
HSCR 851-16**

March 21, 2016

To: Honorable Chair Tokuda, Vice Chair Dela Cruz, and other members of the committee:

I have been on the Board of Directors of Kokua Kalihi Valley (KKV) for many years. KKV provides primary health care for many people in Kalihi Valley, many of whom are completely uninsured.

I am submitting testimony in support of the proposed SD 1 of HB 2466 HD1 that addresses the distribution of cigarette tax revenues that fund programs and community health centers that serve the underserved and uninsured. KKV provides basic primary care services that includes tobacco prevention education and referral for tobacco related illnesses. Our assessment services address illnesses that correlate to tobacco use. The funds coming from the cigarette taxes help KKV address many illnesses that relate to tobacco use – heart disease, respiratory complications like asthma, emphysema, and cancer and diabetes. As a result of KKV's screening methods, there is prevention of the excessive use and expensive costs for emergency room services.

I strongly encourage the committee to review the distribution of these revenues and to continue to support our community health centers that provide health screenings and services for many of the uninsured, homeless, and indigent populations.

Edward Kemper
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SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY IN SUPPORT OF HB 2466 HD.1, PROPOSED SD 1

HSCR 851-16

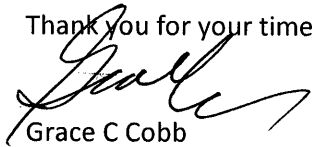
March 21, 2016

To: Honorable Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

I am submitting testimony in support of the proposed SD 1 of HB 2466 HD1 that addresses the distribution of cigarette tax revenues that fund programs and community health centers that serve the underserved and uninsured. As a board member of Kokua Kalihi Valley Health Center V Comprehensive Family Services, our health center provides basic primary care services that include tobacco prevention education and referral for tobacco related illnesses. At least 30% of our patients at our medical clinic are uninsured. All of our clients receive tobacco screening and assessment services so that we may address illnesses that correlate to tobacco use. The funds emanating from the cigarette taxes help us address many illnesses that we know correlate to tobacco use – heart disease, respiratory complications like asthma, emphysema, and cancer and diabetes. Our screening methods prevent the excessive use and expensive costs for emergency room services.

I strongly encourage the committee to review the distribution of these revenues and to continue to support our community health centers that provide health screenings and services for many of our uninsured, homeless and indigent populations.

Thank you for your time and consideration.



Grace C Cobb
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SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY IN SUPPORT OF HB 2466 HD.1, PROPOSED SD 1

HSCR 851-16

March 21, 2016

To: Honorable Chair Tokuda, Vice Chair Dela Cruz, and members of the committee:

I am submitting testimony in support of the proposed SD 1 of HB 2466 HD1 that addresses the distribution of cigarette tax revenues that fund programs and community health centers that serve the underserved and uninsured. As the Chair of KKV Comprehensive Family Services, our health center provides basic primary care services that include tobacco prevention education and referral for tobacco related illnesses. At least 30% of our patients at our medical clinic are uninsured. All of our clients receive tobacco screening and assessment services so that we may address illnesses that correlate to tobacco use. The funds emanating from the cigarette taxes help us address many illnesses that we know correlate to tobacco use – heart disease, respiratory complications like asthma, emphysema, and cancer and diabetes. Our screening methods prevent the excessive use and expensive costs for emergency room services.

I strongly encourage the committee to review the distribution of these revenues and to continue to support our community health centers that provide health screenings and services for many of our uninsured, homeless and indigent populations.

Thank you for your time and consideration.

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From: malu10@aol.com
To: [WAM Testimony](#)
Subject: PLEASE SUPPORT HB 2466 HD1 SD1 OPPOSE HB 2466 HD1
Date: Tuesday, March 22, 2016 11:32:01 AM

Please SUPPORT passage of HB 2466 HD1 SD1 to examine the disbursement of all cigarette tax monies.

Please OPPOSE HB 2466 HD1 which redirects the cigarette tax monies to the general fund.

The Community Health Centers in the State are life lines for the underserved and uninsured/underinsured and without the Community Health Centers the cost of caring for these populations would fall to the emergency rooms driving up the cost of care.

Thank you.

Sally Kimura