

STATE OF HAWAII
DEPARTMENT OF HEALTH
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Testimony in SUPPORT of HB2630
RELATING TO THE TRANSITION OF THE OAHU REGIONAL HEALTH CARE
SYSTEM FROM THE HAWAII HEALTH SYSTEMS CORPORATION INTO THE
DEPARTMENT OF HEALTH.

REP. JOHN M. MIZUNO, CHAIR
HOUSE COMMITTEE ON HEALTH

Hearing Date: January 30, 2020

Room Number: 329

1 **Fiscal Implications:** N/A.

2 **Department Testimony:** DOH strongly supports PART III of HB2630 and agrees to serve as
3 the co-chair of the working group. As mentioned in PART I, there is a significant gap in the
4 behavioral health care system between acute psychiatric care facilities and low acuity residential
5 treatment. The goal to repurpose underutilized hospital beds for much-needed substance abuse
6 and behavioral health treatment will help break the “revolving door” cycle in our emergency
7 rooms and relieve pressure on acute care hospital facilities, law enforcement entities and other
8 systems of care, social and legal services. This is a rare opportunity to add significant value to
9 our residents’ quality of life which benefits both public and private sectors.

10 The transition of the Oahu Region to the Department would ensure the continued availability of
11 long-term care beds for our aging population and facilitate more efficient use of the Oahu
12 Region’s facilities to address the need for additional social services such as mental health and
13 substance use treatment.

14 One example of the benefits that can be realized through a union of the Oahu Region and DOH is
15 the recently developed and implemented a pilot program to provide treatment for low-risk, non-
16 violent HSH patients at Leahi Hospital. Given the pilot program’s successes thus far, we
17 anticipate that the program could be expanded to treat up to 32 total patients in the unit currently
18 being occupied. If the program was expanded into other available spaces, this number could be

1 more than doubled. Such expansion, especially when taken in tandem with the new facility
2 being constructed on the HSH campus, could free up higher acuity psychiatric beds within the
3 HSH and enable the DOH to provide care for non-forensic patients in significant need of mental
4 health treatment. The transition of the Oahu Region to DOH would allow for these services to be
5 managed more seamlessly and effectively than doing so as two separate entities.

6 The department has been working very closely with the Oahu region and HHSC to evaluate both
7 the viability and the process by which this transition would take place. Appropriately, HB2630
8 compels the Working Group to take a careful and deliberative approach that address the complex
9 regulatory, clinical, financial, labor, and contractual obligations of two independently run and
10 publicly funded organizations. The flexibility to include other members in the work group as
11 critical issues arise is a key element to the success of the task laid out by this measure. However,
12 the department respectfully submits that it is equally important to keep the core number of
13 members as drafted to assure manageable meetings and efficient decision-making.

14 The Department of Health defers comments on PART II of HB2630, which reduces from five to
15 four the number of regional systems within the corporate organization, until the working group
16 proposed by PART III has submitted its findings and recommendations.

17 Thank you for the opportunity to testify.

18



HAWAII HEALTH SYSTEMS

C O R P O R A T I O N

Quality Healthcare For All

COMMITTEE ON HEALTH
Rep. John M. Mizuno, Chair
Rep. Bertrand Kobayashi, Vice Chair

January 30, 2020
Conference Room 329
9:00 a.m.
Hawaii State Capitol

Testimony in Strong Support
House Bill 2630

**RELATING TO THE TRANSITION OF THE OAHU REGIONAL HEALTHCARE
SYSTEM FROM THE HAWAII HEALTH SYSTEMS CORPORATION INTO THE
DEPARTMENT OF HEALTH**

Sets a date for the transition of the Oahu region's health care facilities from the Hawaii Health Systems Corporation to the Department of Health. Establishes a working group to develop a comprehensive plan that addresses all necessary components of such transition.

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawaii Health Systems Corporation

The Hawaii Health Systems Corporation (HHSC) Board of Directors is in **strong support** of HB 2630 that establishes a working group for the Department of Health and the Oahu Regional Healthcare System to determine their future integration.

HHSC's governing statute places the responsibility for its facilities and services across the state with five regional governing boards. The role of the HHSC system board and corporate office is to provide policy guidance and centralized services that support the regions' operations. HHSC's Oahu Region Board of Directors has determined that its resources can support important initiatives of the Department of Health for the community's benefit, and therefore a closer alignment of the two entities is sought. The HHSC system board supports the Oahu Region Board's decision and will direct corporate resources to the working group and subsequent transition activities.

Thank you for the opportunity to testify.

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OAHU REGION HAWAII HEALTH SYSTEMS CORPORATION

**House Committee on Health
Representative John M. Mizuno, Chair
Representative Bertrand Kobayashi, Vice-Chair**

January 30, 2020
Conference Room 329
Hawaii State Capitol

Derek Akiyoshi
Oahu Region Chief Executive Officer
Hawaii Health Systems Corporation

Re: Testimony in Strong Support

HB 2630 Relating to the Transition of the Oahu Regional Health Care System into the Department of Health

Chair Mizuno, Vice-Chair Kobayashi, and Members of the House Committee on Health,

Aloha! We begin by thanking you and your colleagues for your support and guidance over these past few years. It was a pleasure to have you tour our facilities – sometimes on multiple occasions – and provide invaluable input regarding our current operations and vision for potential strategic projects.

With the leadership of the Oahu Regional Health Care System Board of Directors (hereinafter, “OR Board”), which has been an instrumental part of every important initiative concerning the Oahu Region, the Oahu Region submits this testimony in strong support of HB 2630.

Unlike the Hawaii Health System Corporation’s (hereinafter, “HHSC”) neighbor island facilities, which are generally the primary acute care providers for their respective communities, the Oahu Region’s facilities almost exclusively provide safety-net, long-term care and adult-day health services to patients who are unable to find much-needed care in private facilities. Most of the patients admitted to Leahi Hospital and Maluhia are destitute and rely on Medicaid to fund their care. Private facilities will not admit them since their care tends to require a significant amount of resources and have low corresponding Medicaid reimbursement rates. The Oahu Region also provides care for incarcerated inmates released for compassionate care and psychiatric patients from the Hawaii State Hospital (“HSH”) who have significant long-term care needs.

While HHSC and the regions were originally established and designed to be run like a health care business, the Oahu Region operates more as a necessary social service than a health care business. We have little opportunity to increase revenues, yet our services are vital to the community. This will be especially true in the very near future given recent projections by the

State of Hawaii, Department of Business, Economic Development and Tourism that the island of Oahu will require an additional 1,100 long-term care beds in the next 5-10 years alone.

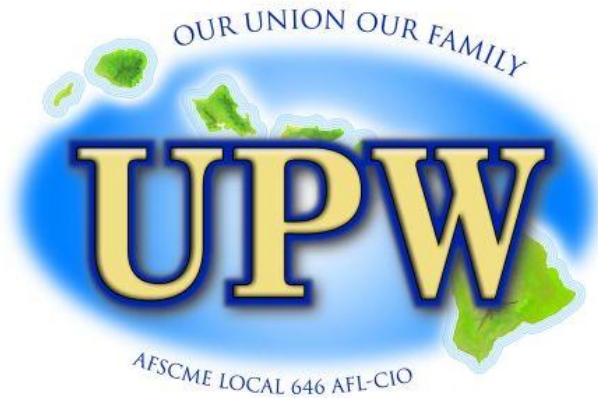
To ensure the continued availability of long-term care beds for our aging population and facilitate more efficient use of the Oahu Region's facilities to address the need for additional social services such as mental health and substance use treatment, we believe that it would be beneficial to transition the Oahu Region from HHSC into the State of Hawaii Department of Health (hereinafter, "DOH").

As one example of the benefits that can be realized through a union with the DOH, the Oahu Region and DOH recently developed and implemented a pilot program to provide treatment for low-risk, non-violent HSH patients at Leahi Hospital. Given the pilot program's successes thus far, we anticipate that the program could be expanded to treat up to 32 total patients in the unit currently being occupied. If the program was expanded into other available spaces, this number could be more than doubled. Such expansion, especially when taken in tandem with the new facility being constructed on the HSH campus, could free up higher acuity psychiatric beds within the HSH and enable the DOH to provide care for non-forensic patients in significant need of mental health treatment.

It should be noted that in order to make the foregoing pilot program a reality, the Oahu Region and DOH were required to enter into a series of agreements to ensure that we were individually compliant with our respective regulatory and insurance obligations and that inter-jurisdictional payments were addressed to cover the costs of ancillary services. Needless to say, if the Oahu Region became a part of the DOH, it is our belief that the pilot and other new programs could be streamlined and implemented more seamlessly.

With regard to the procedural approach taken by the instant bill, we agree that a working group is necessary to ensure that the transition is properly planned and executed. Several complex issues will need to be addressed, including, but not limited to, transfer of employees between different classification systems, resolution of outstanding contractual and other obligations, preservation of statutory exemptions, and transfer of fiscal and accounting functions. In terms of the working group's members, we believe that the list of parties named in this bill contains representatives that are essential to a successful transition. We also believe, however, that inclusion of additional members such as union leadership and representatives from other state departments may become necessary for assistance in identifying and resolving new issues as they arise.

Thank you for the opportunity to offer testimony on this very important measure.



THE HAWAII STATE HOUSE OF REPRESENTATIVES

The Thirtieth Legislature
Regular Session of 2020

COMMITTEE ON HEALTH

Representative John M. Mizuno, Chair
Representative Bertrand Kobayashi, Vice Chair

Date of Hearing: Thursday, January 30, 2020
Time of Hearing: 9:00 a.m.
Place of Hearing: Conference Room 329
State Capitol
415 South Beretania Street

**TESTIMONY IN SUPPORT OF HB 2630 RELATING TO THE TRANSITION OF THE
OAHU REGIONAL HEALTH CARE SYSTEM FROM THE HHSC INTO THE
DEPARTMENT OF HEALTH**

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

My name is Dayton M. Nakanelua, State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO. The UPW is the exclusive bargaining representative for approximately 13,000 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 four counties. The UPW also represents about 1,500 members in the private sector.

HB2630 is a bill that is welcomed by many families who have kupunas in Mahelona and Leahi Hospital. There is expected a "gray tsunami" of elderly patients that must have care and support in Hawaii. Studies foretell of this shortfall of 1,100 long-term care beds in about five to ten years. The Oahu region facilities could be repurposed for long-term care services and subacute mental health services.

The UPW strongly supports Section (3) of page nine where employees retain their Civil service status, no loss of salary; transition of all employees into the classification system of the executive branch on page eight and all rights and benefits in Section (4) page nine of their exempt status and all rights and privileges.

The UPW Recommends a strong training component for all employees in the transition.

Thank you for the opportunity to submit this testimony.

HB-2630

Submitted on: 1/28/2020 8:27:40 PM

Testimony for HLT on 1/30/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lee Buenconsejo-Lum	Individual	Support	No

Comments: