



STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony COMMENTING on H.B. 406, H.D. 1
RELATING TO HEALTH**

REPRESENTATIVE DELLA AU BELATTI, CHAIR
HOUSE COMMITTEE ON HEALTH AND HOMELESSNESS

REPRESENTATIVE MARK J. HASHEM, CHAIR
HOUSE COMMITTEE ON CORRECTIONS, MILITARY AND VETERANS

Hearing Date, Time and Room Number: Wednesday February 15, 2023, 11 a.m. Rm. 329/VIDEO

1 **Fiscal Implications:** Undetermined.

2 **Department Position:** The Department of Health (“Department”) appreciates the intent of this
3 measure and offers comments.

4 **Department Testimony:** The Behavioral Health Administration (BHA) provides the following
5 testimony on behalf of the Department.

6 This measure requires the Department and the Oahu Regional Health Care System
7 (Oahu Region) to develop a strategic plan that addresses the utilization of all Oahu Region
8 facilities and to submit a report to the Legislature prior to the regular session of 2024. This
9 measure extends the assimilation of the Daniel K. Akaka State Veterans Home from the
10 Department of Defense to the Oahu Region to June 30, 2024. Lastly, this measure requires the
11 Oahu Region to submit a progress report to the Legislature regarding the status of construction
12 and hiring of an operator for the Veterans home.

13 The Department continues to support the Oahu Region’s efforts to develop their
14 strategic plan for the utilization of their facilities. We have been in discussion regarding usable

1 space at Oahu Region facilities and will continue to discuss future possibilities should their
2 current facilities be improved.

3 Regarding the extension of assimilation of the Daniel K. Akaka State Veterans Home to
4 the Oahu Region, and requiring the Oahu Region to submit a program report to the Legislature
5 on the construction and hiring of an operator for the Veteran's home, the Department defers to
6 the Oahu Region for these parts of this measure.

7 **Offered Amendments:** None.

8 Thank you for the opportunity to testify on this measure.



**OAHU REGION
HAWAII HEALTH SYSTEMS CORPORATION**

**Committee on Health and Homelessness
Representative Della Au Belatti, Chair
Representative Jenna Takenouchi, Vice Chair**

**Committee on Corrections, Military and Veterans
Representative Mark J. Hashem, Chair
Representative Cory M. Chun, Vice Chair**

February 15, 2023, 11:00 A.M.
Conference Room 329
Hawaii State Capitol

Sean Sanada
Oahu Region Chief Administrative Officer
Hawaii Health Systems Corporation
Re: Testimony in Support and Requested Amendment

HB 406, HD1, RELATING TO HEALTH

Chairs Belatti and Hashem, Vice-Chairs Takenouchi and Chun, and Members of your respective Committees on Health and Homelessness and Corrections, Military and Veterans:

HB 406, HD1: (1) requires the department of health (hereinafter, "DOH") and Oahu regional health care system (hereinafter, "Oahu Region") to develop a strategic plan for the utilization of all Oahu regional health care system facilities and report to the legislature prior to the regular session of 2024; (2) extends the assimilation of the Daniel K. Akaka state veterans home to 6/30/2024; and (3) requires the Oahu Region to provide a progress report to the legislature regarding construction of and the hiring of an operator for the Daniel K. Akaka state veterans home.

The Oahu Region respectfully offers the following testimony in support and requests one amendment:

Strategic Plan for Utilization of the Oahu Region's Facilities

- The Oahu Region and DOH understand that there is a current and immediate need for behavioral health and substance use services on Oahu. That being said, it should be emphasized that the Oahu Region and DOH – in addition to working on the Oahu Region transition to DOH pursuant to Act 212, SLH 2021 – contemporaneously explored projects that could be quickly implemented in the Oahu Region's facilities under existing conditions.

- One of the successful results of our work with the DOH was the Palekana behavioral health program, which started in December 2019 as a pilot project to provide lower acuity mental health and substance use treatment for Hawaii State Hospital patients. While the program initially started with only six (6) beds, we were able to expand the bed space to its current capacity of 28 beds. Based on calculations made by the DOH Adult Mental Health Division (“AMHD”), the Palekana program at Leahi yields the DOH estimated annual savings of over \$15 million in comparison to housing such participants at the Hawaii State Hospital.
- The Oahu Region has recently been working with the DOH to shift some of the existing programs at Leahi Hospital to new areas in an effort to maximize the amount of remaining space that is immediately usable. Given the success of the Palekana program, we would like to commit this remaining space to expand Palekana’s bed capacity.
- At the Oahu Region’s other facility, Maluhia, there is one unit that could currently be utilized for a DOH program. Toward that end, we have been evaluating a number of projects that would be appropriate based upon regulatory and logistical considerations.
- Although it is true that there is a reasonable measure of unused space at Leahi Hospital, it should also be noted that much of this space currently rests in a dilapidated state and will require millions of dollars and years of construction to fabricate it for clinical use. Nevertheless, as such construction could be materially expedited through the reasonable exercise of the Oahu Region’s procurement exemptions, it is our plan to continue working with the DOH and other relevant parties to develop additional plans for expanded programming once the unusable spaces become commercially operational.
- Given our ongoing efforts to responsibly and effectively utilize the Oahu Region’s facilities, the Oahu Region supports submitting a strategic plan that outlines the process and anticipated goals.

Extension of the Deadline to Assimilate the Daniel K. Akaka State Veterans Home into the Oahu Region

- Although the Oahu Region has been actively playing a consultative and otherwise supporting role in the development of the Daniel K. Akaka State Veterans Home in Kapolei, the department of defense (“DOD”), with the vital assistance of the department of accounting and general services (“DAGS”), is the primary party overseeing its construction. The Oahu Region’s responsibility for the facility is intended to formally take place once the facility is completed.
- The Daniel K. Akaka State Veterans Home was initially slated to be completed in the spring of 2023. Due to COVID-19 and the impact this pandemic had on part production, shipping, and other supply chain issues, the facility is now expected to be completed sometime in 2024.
- Act 285, SLH 2022, which facilitates the transfer of the Daniel K. Akaka State Veterans Home from the DOD to the Oahu Region, set the deadline for the transfer on June 30, 2023.
- Given that the Daniel K. Akaka State Veterans Home will not be fully constructed until 2024, the Oahu Region supports the one-year deadline extension granted by the instant measure.

Progress Report Regarding Construction of and the Hiring of an Operator for the Daniel K. Akaka State Veterans Home

- As previously noted, the Oahu Region's primary responsibilities for the Daniel K. Akaka State Veterans Home will vest upon completion of the project by the DOD and DAGS. Moreover, just as the Oahu Region currently serves in a consultative capacity during construction, the DOD will be assisting the Oahu Region in the selection process for an appropriate operator for the facility.
- Given the extensive involvement of the DOD in this project, the Oahu Region believes that the DOD can greatly assist the Oahu Region in providing valuable insight to the legislature in the progress report required by this measure. As such, the Oahu Region respectfully requests an amendment reflecting that the progress report shall be submitted jointly by the Oahu Region and DOD.

Thank you for the opportunity to testify on HB 406, HD1.