

**JOSH GREEN**  
GOVERNOR  
KE KIA'ĀINA



STATE OF HAWAII  
**DEPARTMENT OF DEFENSE**  
**KA 'OIHANA PILI KAUA**  
**OFFICE OF THE ADJUTANT GENERAL**  
3949 DIAMOND HEAD ROAD  
HONOLULU, HAWAI'I 96816-4495

**KENNETH S. HARA**  
MAJOR GENERAL  
ADJUTANT GENERAL  
KA 'AKUKANA KENELALA

**STEPHEN F. LOGAN**  
BRIGADIER GENERAL  
DEPUTY ADJUTANT GENERAL  
KA HOPE 'AKUKANA KENELALA

TESTIMONY ON SENATE BILL 2837  
RELATING TO THE OAHU REGIONAL HEALTH CARE SYSTEM, HAWAII HEALTH  
SYSTEMS CORPORATION  
BEFORE THE SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

BY  
BG BRUCE E. OLIVEIRA, USA, RETIRED  
INTERIM DIRECTOR OF HAWAI'I OFFICE OF VETERN SERVICES

FEBRUARY 2, 2024

Aloha Chair San Buenaventura, Vice-Chair Aquino, and members of the committee:

I am Bruce Oliveira, Interim Director of Hawai'i Office of Veterans Services, State of Hawai'i, Department of Defense.

The Department of Defense (DOD) provides written testimony in **SUPPORT** of SB2837.

Hawai'i Veterans served our country and state at great personal and family cost. Now we need to provide for their long-term care. There are approximately 100,000 Veterans in the State of Hawaii, of which 41,000 are aged 65 and older. Veterans Affairs authorized 268 beds for Hawaii's State Veteran Homes (SVH). Our first SVH on Hawaii Island has 95 beds. The second SVH on Oahu has 120 beds. There is currently no SVH to serve the 7,500 veterans on Maui, and we still have additional SVH beds authorized for use.

The benefits of a Maui SVH include creation of jobs, development of training programs in collaboration with the University of Hawaii Maui College, a significant increase to Maui's long-term care (LTC) bed capacity, and reduction of the acute care facility "wait list" at Maui Memorial Medical Center. Moreover, the Maui SVH will bring a new source of Federal revenue and will ultimately be a self-sustaining operation with no annual state subsidy required. The Maui SVH Project will also support four major health services and facilities plan goals. First, focus on increasing cost-effective access to necessary health care services. Second, promote the financial viability of the health care delivery system. Third, encourage optimization of services and expensive technology by ensuring that supply meets the need and costs are reasonable. Fourth, promote regionalization of services where appropriate.

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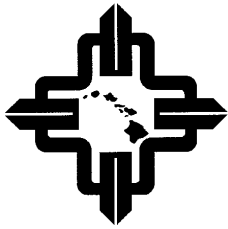
The construction of the Maui SVH is currently being undertaken by our department. However, the DOD does not have the medical expertise for continued operational oversight of a LTC health facility and requires the transfer of the Maui State Veterans Home to the Oahu Region, HHSC or other state entity capable of providing oversight to operations of a LTC healthcare facility.

This proposed transfer of the Maui SVH to the Oahu regional HHSC or other state entity is a critical step towards submission for construction of the Maui SVH to the State legislature in 2025.

I urge you to support this proposal and invest in the long-term care of our veterans. Hawaii Veterans deserve the best possible healthcare and services available.

I thank you for the opportunity to provide testimony in **SUPPORT** on SB2837.

Bruce Oliveira, [Bruce.e.oliveira@hawaii.gov](mailto:Bruce.e.oliveira@hawaii.gov), 808-672-1260



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

*"Quality Healthcare For All"*

**COMMITTEE ON HEALTH & HUMAN SERVICES**

**Senator Joy A. San Buenaventura, Chair**  
**Senator Henry J.C. Aquino, Vice-Chair**

February 2, 2024

1:50 PM

Hawaii State Capitol

Room 225 & Via Videoconference

**Supporting the Intent of SB 2837**  
**RELATING TO THE OAHU REGIONAL HEALTH CARE SYSTEM, HAWAII HEALTH SYSTEMS CORPORATION**

Requires the transfer of the Maui State Veterans Home to the Oahu Regional Health Care System and then to the Department of Health, as part of the Oahu Regional Health Care System transfer pursuant to Act 212, Session Laws of Hawai'i 2021.

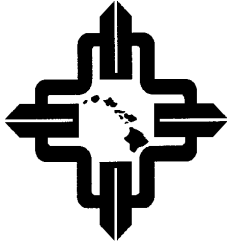
Edward Chu  
President & Chief Executive Officer  
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony to **support the intent of SB 2837**.

Should it be the will of the Legislature to pass this measure, we respectfully request the following amendment be included to statutorily allow for the inclusion of the Maui State Veterans home into the Oahu regional health care system by amending Section 323F-2(b)(1), Hawaii Revised Statute with the following language:

“(b) The corporate organization shall be divided into five regional systems, as follows:  
(1) The Oahu regional health care system which may include the State Veterans home on Maui;”

Thank you for the opportunity to provide testimony on this matter.



## **OAHU REGION HAWAII HEALTH SYSTEMS CORPORATION**

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**Committee on Health and Human Services  
Senator Joy A. San Buenaventura, Chair  
Senator Henry J.C. Aquino, Vice Chair**

February 2, 2024, 1:50 P.M.  
Conference Room 225 and Via Videoconference  
Hawaii State Capitol

Sean Sanada  
Oahu Region Chief Administrative Officer  
Hawaii Health Systems Corporation  
**Re: Testimony in Support of Intent**

SB 2837, RELATING TO THE OAHU REGIONAL HEALTH CARE SYSTEM, HAWAII HEALTH SYSTEMS CORPORATION

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Chair San Buenaventura, Vice-Chair Aquino, and Members of the Committee on Health and Human Services:

SB 2837 requires the transfer of the Maui State Veterans Home to the Oahu Regional Health Care System (hereinafter, "Oahu Region") and then to the Department of Health, as part of the Oahu Region transfer pursuant to Act 212, Session Laws of Hawaii 2021.

The Oahu Region recognizes that, despite the high need, there is currently no state veterans home on the island of Maui to provide long-term care services for their veteran community. The Oahu Region further recognizes that management, operation, and staffing of the Maui state veterans home should be placed under a state agency with the expertise to manage a long-term care facility. Given that the Maui Regional Healthcare System – following the transition of its main facilities to a private operator – no longer possesses the resources to assume the required responsibilities for a new facility on the island, the Oahu Region supports the intent of SB 2837 with the following reservation.

As you are aware, construction of the Daniel K. Akaka State Veterans Home on Oahu is anticipated to be completed in March 2024. While much time and effort has gone into operational planning and construction support, we have yet to fully grasp the magnitude of our responsibilities in regard to this venture and the actual resources that will be required to successfully manage a new veterans home. Spurred by the importance of the planned veterans home to the Maui community, however, the Oahu Region is willing to assume the obligations of this undertaking if SB 2837 becomes law. We only ask for the legislature's understanding and support through what we anticipate will be another challenging project with many unforeseen legal and logistical issues.

The Oahu Region concurs with the amendments to Haw. Rev. Stat. Chapter 323F that have been recommended by the Corporation.

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



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**

AFSCME Local 152, AFL-CIO

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

The Thirty-Second Legislature, State of Hawaii  
The Senate  
Committee on Health and Human Services

Testimony by  
Hawaii Government Employees Association

February 2, 2024

S.B. 2837 — RELATING TO OAHU REGIONAL HEALTH CARE SYSTEM, HAWAII  
HEALTH SYSTEMS CORPORATION.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes the purpose and intent of S.B. 2837, which requires the transfer of the Maui State Veterans Home to the Oahu Regional Health Care System and then to the Department of Health, as part of the Oahu Regional Health Care System transfer pursuant to Act 212, Session Laws of Hawai'i 2021.

The Hawaii Government Employees Association raises serious questions and concerns about this measure. For decades, Maui stakeholders, including Maui Legislators, have been outspoken proponents about keeping Maui based health facilities under the jurisdiction of their island. And quite frankly, we don't think Maui stakeholders and community members want another island to dictate what they can and cannot do. The HHSC Maui Regional Board still exists and can be charged with this responsibility, or the Maui Veterans home can be directly transferred and fall under the jurisdiction of the State Department of Health. So why would a state-run Maui Veterans home be transferred and fall under the jurisdiction of the Oahu Regional Health Care system? This proposal is illogical and fails the smell test. Accordingly we urge that it be filed.

Thank you for the opportunity to provide testimony in opposition of S.B. 2837.

Respectfully submitted,

  
Randy Perreira  
Executive Director

TESTIMONY ON SENATE BILL 2837  
A BILL RELATING TO THE OAHU REGIONAL HEALTHCARE SYSTEM,  
HEALTH SYSTEMS CORPORATION

PRESENTATION TO  
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

BY

Thomas M. Driskill, Jr  
COL, USA, MSC (Ret)  
698 Kaulana Place  
Honolulu, Hawaii  
96821

February 2, 2024

1:50 PM

Chair Joy a. San Buenaventura, Vice Chair Henry J. C. Aquino and Members of the Committee

I am Tommy Driskill and I am testifying in strong **SUPPORT** of SB 2837, Relating to the Oahu Regional Healthcare System, Hawaii Health Systems Corporation.

Based upon my past years of experience as President/CEO, Hawaii Health Systems Corp (HHSC) Aug 1997 to Dec 2009, during which time I oversaw the planning, construction, opening and initial operation of the Yukio Okutsu State Veterans Home, Hilo and my work over the past two years and nine months overseeing construction of the Daniel K. Akaka State Veterans Home (DKA SVH), Kapolei for the Director, Office of Veterans Services, DOD, SOH, I feel uniquely qualified to strongly **SUPPORT** this legislation.

In 2021/2022, The Department of Defense (DOD) worked hard to align the DKA SVH under their administration with a goal of ultimately providing oversight of a contracted manager once the new facility was operationalized. Moving through that process, DOD determined they had **NEITHER** the medical expertise for continued operational oversight of a long-term care facility, **NOR** the legal flexibility to contract, administer and provide operational oversight for a long-term care facility. Additionally, DOD lacked legislative authority to create 501-c3 tax-free structures like HHSC. Faced with this challenging situation, Representative Brian Yamane, District 19, introduced HB 1893 to the 2022 legislature. Recognizing the need for proper contract management oversight, this bill mandated ownership transfer of the DKA SVH from DOD to the Oahu Region, HHSC not later than June 30, 2023. The 2022 legislature passed the bill as HB 1893 HD1, SD2 CD1 and it was later signed into law by Governor David Ige as ACT 285 Session Laws of Hawaii 2022. Without this transfer of oversight authority, the DKA SVH would never have become a reality, but thanks to legislative intervention, our 120 bed Long-Term Care facility in Kapolei for Veterans, their spouses and Gold Star parents is now 98% complete w beneficial occupancy certification projected in February 2024, furniture and equipment delivery beginning in March 2024 and initial patient intake to begin in Summer 2024.

In addition to our 1<sup>st</sup> SVH, a 95 bed facility in Hilo, our new 2D SVH, a 120 bed facility in Kapolei, will help meet our Veterans and community long-term care needs, but a greater need still exists especially on our neighbor islands with particular emphasis on Maui. Accordingly, the

Office of Veterans Services, DOD, SOH submitted a pre-application to the Veterans Administration Office of State Veterans Homes in March, 2023 for a 3D SVH to be located on Maui. That pre-application was accepted in April, 2023 and is under continuing review. The 3D SVH, Maui is scoped to be a 60 bed, 82,500 sq ft facility, costing approximately \$95M with construction cost to be approximately shared 35% State and 65% Federal.

Today we face basically the same situation on Maui that we faced with DKA SVH on Oahu in that DOD has neither the medical expertise nor the authority to contract, administer and provide operational oversight for a long-term care facility on Maui. Further exacerbating the situation is the fact that there is not currently a viable Maui Region, HHSC state agency capable of providing oversight so another state agency must step into the void. The legislation we are strongly supporting herein will establish authority so that operation of a 3D SVH Maui can be properly overseen by a State Agency best equipped to provide this oversight ie Oahu Regional Health Care System, HHSC in the absence of Maui Region, HHSC having that capability. Should the Committee desire to keep open an option for the Maui Region, HHSC Board of Directors being reconstituted at some point in the future and hiring staff to assume the mission of management oversight for our 3D SVH, that option can be accommodated by simply going to SECTION 2(a) of SB2837 and adding the term “---or another qualified state agency---,” each time the “Oahu Regional Healthcare System” is mentioned in that paragraph.

In order to prepare to ask our Governor to submit to our State legislature a request in 2025 for our \$35M State match portion of the 3D SVH Maui construction cost, two things much be accomplished this year:

- We must put in place legislative authority so that proper contact management oversight can be provided for operation of a 3D SVH Maui.
- We must identify state land on Maui where our new facility can be constructed. This effort is on-going as we speak.

If we fail to accomplish either of these two tasks this year, then at a minimum, this project will be set back at least another year best case. When we point out that under the most optimal circumstances, if all approvals can be obtained in a timely fashion, the very earliest we could hope to open our 3D SVH Maui for patient intake would be CY 2029 and more likely it would be CY 2030. So adding another year to this already arduous process would result in simply further delaying sorely needed care for our most deserving Veterans, their spouses and Gold Star parents.

Thank you for your consideration of this important legislation which we strongly support on behalf of both our Maui Veterans and our State-wide Hawaii Veterans, their families and our Gold Star Parents.

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