



STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

February 23, 2024

The Honorable Senator Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means
The Thirty-Second Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Senator Dela Cruz and Committee Members:

SUBJECT: SB2285 SD1 RELATING TO HEALTH

The Hawaii State Council on Developmental Disabilities **SUPPORTS SB2285 SD1**, which amends the functions and duties of the State Health Planning and Development Agency. Clarifies the definition of "health care". Establishes positions. Declares that the general fund expenditure ceiling is exceeded. Makes an appropriation. Takes effect 12/31/2050. (SD1)

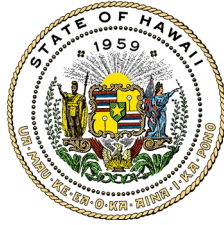
The purpose of the State Health Planning & Development Agency (SHPDA) is to "promote accessibility for all the people of the State to quality health care services at reasonable cost." We support legislation to upgrade SHPDA's healthcare oversight capability.

We defer to SHPDA for comments and recommendations.

Thank you for the opportunity to submit testimony in **support of SB2285 SD1**.

Sincerely,

Daintry Bartoldus
Executive Administrator



JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

KENNETH FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
EXECUTIVE OFFICE ON AGING
NO. 1 CAPITOL DISTRICT
250 SOUTH HOTEL STREET, SUITE 406
HONOLULU, HAWAII 96813-2831

CAROLINE CADIRAO
DIRECTOR
Executive Office on Aging

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Testimony in SUPPORT of SB2285 SD1
RELATING TO THE STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

SENATOR DONOVAN M. DELA CRUZ, CHAIR
SENATOR SHARON Y. MORIWAKI, VICE CHAIR
COMMITTEE ON WAYS AND MEANS

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Decision Making: Friday, February 23, 2024, 10:30 A.M., Conference Room 211

- 1 **EOA Position:** The Executive Office on Aging (EOA), an attached agency to the Department of
- 2 Health (DOH) supports SB2285, SD1.
- 3 **Fiscal Implications:** Appropriates funds. Exceeds the general fund expenditure ceiling.
- 4 **Purpose and Justification:** The purpose of this bill is to amend HRS Section 323 D-2 to update
- 5 the planning and functions of the State Health Planning and Development Agency (SHPDA) and
- 6 provide staffing positions which would increase SHPDA's oversight capability to ensure quality
- 7 health and long-term care is accessible and affordable for all Hawai'i residents.
- 8 **Recommendation:** EOA supports this measure and defers to SHPDA for any amendments.
- 9 Thank you for the opportunity to testify.



**STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY**
DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

JOSH GREEN, M.D.
GOVERNOR OF HAWAII
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII

KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'ŌKELE

John C. (Jack) Lewin, M.D.
ADMINISTRATOR

1177 Alakea St., #402, Honolulu, HI 96813 Phone: 587-0788 Fax: 587-0783 www.shpda.org

Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

S.B. 2285 SD1 Relating to the State Health Planning and Development Agency

Testimony of John C. (Jack) Lewin, M.D.
SHPDA Administrator

Friday February 23, 2024
10:30 a.m.

1 **Agency's Position: SUPPORT**

2 **Fiscal Implications: None**

3 **Purpose and Justification:** The purpose of SB 2285 is to modernize SHPDA through
4 amendments to HRS Section 323 D-2 to become Hawai'i's health care oversight agency to
5 monitor and assure universal access to high-quality, equitable, and affordable health and long-
6 term care services for all of Hawai'i's citizens. Hawai'i currently largely lacks but requires this
7 oversight capability. SHPDA strongly supports this bill and aspires to fulfill its purpose.

8 To accomplish the goals of SB 2285, SHPDA must have the ability to acquire, analyze,
9 and share broadly with the health sector comprehensive, valid, and current data to enable
10 monitoring and improvement of Hawai'i's statewide health status, health outcomes, and cost-
11 effectiveness for health and long-term care services. This will also require SHPDA to apply
12 such data in collaboration with both public and private health and long-term care providers and
13 payers to systematically improve primary care and specialty access; focus on prevention;
14 assure equitable outreach to underserved, disadvantaged, and rural populations; reduce

1 workforce deficiencies; and improve quality of care, outcomes, and cost-effectiveness for
2 health and long-term care services.

3 SHPDA was apparently statutorily created to be Hawai'i's health oversight agency in
4 1975 with a large multi-million-dollar budget and staff of 65. Originally largely federally funded,
5 the agency was greatly reduced when federal funds were discontinued in the 1980s and has
6 for the past three decades been funded and staffed only with 6 positions to periodically
7 produce a State Health Services and Facilities Plan and to manage our state's Certificate of
8 Need (CON) program. SHPDA receives health provider and community input for these
9 purposes through its statewide advisory councils and the State Health Coordinating Council
10 (SHCC). The SHPDA Administrator is appointed by and reports to the Governor, but the
11 agency is administratively attached to and works closely with the DOH.

12 The DOH, DHS, SHPDA, the Insurance Commissioner, and other state agencies with
13 health-related functions have conferred recently about the need for health care (and long-term
14 care) oversight functions in Hawai'i state government to monitor access, equity, quality of care,
15 health outcomes, and cost-effectiveness. It was felt that SHPDA, which provides no health or
16 long-term care services itself, can become an unconflicted and effective source of these
17 oversight responsibilities if staffed to do so. This was considered also in light of the Governor's
18 desire to reinvigorate the "Hawai'i the Health State" vision in the recruitment of a new SHPDA
19 Administrator, and in consideration of potentially attracting federal assistance in these regards.

20 Under SHPDA's statutory authority, this legislature has in previous years required that
21 all insurers in Hawaii provide the agency with the insurance claims data of all health care
22 provided for beneficiaries of Medicaid, Medicare, and the EUTF through Hawai'i's All-Payer
23 Claims Database (APCD). In contractual collaboration with Med-QUEST and the UH, the
24 APCD already has the data of one million of our total 1.4 million residents under privacy-

1 assured de-identified management. With potential collaboration with the databases of the
2 Healthcare Association of Hawai'i and the Hawai'i Health Information Exchange, the state can
3 be well on our way as a state to having the data resources needed for such oversight.

4 We believe the modern definition of health care in Section 1 of this bill is an important
5 improvement in HRS Section 323-D-2. We also recommend amendments of adding "and long-
6 term" between the words "health" and "care" to read "health and long-term care" in Section 2
7 item 1 (line 10 page 2), and throughout Section 323 D-2.

8 We acknowledge that while SHPDA currently has access to facility and staffing data for
9 long-term care facilities statewide, access to related cost data may be required later if not
10 readily available for these purposes in the future. We also acknowledge that 10 states have
11 begun creating "total-costs-of-care" global budgets for their respective states to monitor
12 increases in health care costs, and that the federal government may be offering technical
13 assistance for states who wish to accomplish this important means of tracking health care (and
14 long-term care) costs to assure ongoing affordability of health care for families, businesses,
15 and government. We appreciate the inclusion of this function in SB 2285 and look forward to
16 implementing it.

17 Regarding staffing and funding to implement this mission, and after conferring with other
18 state health oversight agencies and our own department of health regarding SHPDA new
19 staffing needs, SB 2285 needs amendments to replace the current proposed Section 4
20 completely with the following:

21 Section 4: There is appropriated out of the general revenues of the State of Hawaii the
22 sum of **\$1,933,435** or so much thereof as may be necessary for fiscal year 2024-2025 for
23 administrative costs for SHPDA essential modernization; to update the SHPDA Health
24 Services and Facilities Plan; to contract for technical, actuarial, and data analytics expertise to

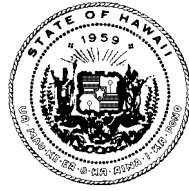
1 monitor and assure universal access to high-quality, equitable, and affordable health and long-
2 term care services for all of Hawai'i's citizens; for recurring expenses for SHPDA expansion;
3 and to establish the following new positions within the state health planning and development
4 agency:

- 5 (1) One full-time equivalent (1.0 FTE) administrative specialist IV position;
- 6 (2) One full-time (1.0 FTE) research statistician VI position, who shall serve as a
7 state healthcare informaticist;
- 8 (3) Two full-time equivalent (2.0 FTE) research statistician V positions who shall
9 serve as administrative data specialists;
- 10 (4) Two full-time equivalent (2.0 FTE) program specialist V positions, who shall
11 serve as state health planners;
- 12 (5) One full-time equivalent (1.0 FTE) Administrative Officer VI position, who shall
13 serve as the contracts management, procurement, and human resources officer
14 of the agency.

15 The sum appropriated shall be expended by the department of health for the purposes
16 of this Act.

17 Finally, mahalo nui loa for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'ŌKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'ŌKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'ŌKELE

February 22, 2024

TO: The Honorable Senator Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

FROM: Cathy Betts, Director

SUBJECT: [SB 2285 SD1](#) - RELATING TO THE STATE HEALTH PLANNING AND DEVELOPMENT AGENCY.

Hearing: February 23, 2024, 10:30 a.m.
Conference Room 211 & Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the bill and defers to the State Health Planning and Development Agency (SHPDA) on implementation and resource needs.

PURPOSE: This measure amends the functions and duties of the State Health Planning and Development Agency. Clarifies the definition of "health care". Establishes positions. Declares that the general fund expenditure ceiling is exceeded. Makes an appropriation. Takes effect 12/31/2050. (SD1)

The Committee on Health and Human Services amended this measure by:

- (1) Clarifying the definition of "health care" to include oral health, behavioral health, and long-term care;
- (2) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

DHS appreciates the Legislature's continued investment in and attention to improving the affordability and quality of healthcare. SHPDA's efforts at a statewide level will complement and augment efforts by DHS to improve access, cost, and quality of care for Medicaid beneficiaries. The opportunity to develop a global budget plan provides for a thoughtful approach that considers the ramifications of the changes to Hawaii's residents, payers, and providers.

Thank you for the opportunity to provide testimony in support of this measure.



**Testimony to the Senate Committee on Ways and Means
Friday, February 23, 2024; 10:30 a.m.
State Capitol, Conference Room 211
Via Videoconference**

RE: SENATE BILL NO. 2285, SENATE DRAFT 1, RELATING TO THE STATE HEALTH PLANNING AND DEVELOPMENT AGENCY.

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 2285, Senate Draft 1, RELATING TO THE STATE PLANNING AND DEVELOPMENT AGENCY.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This bill, as received by your Committee, would update the functions and duties of the State Health Planning and Development Agency (SHPDA), establish full time equivalent positions with SHPDA; and appropriate an unspecified amount of general funds for fiscal year 2024-2025.

This bill would also take effect on December 31, 2050.

Chapter 323D, Hawaii Revised Statutes (HRS), the Health Planning and Resources Development and Health Care Cost Control Law, was enacted to promote accessibility for all the people of the State to quality health care services at reasonable costs. [See, Section 323D-1, HRS.] Among other things, this law establishes the State Health Planning and Development Agency [See, Section 323D-11, HRS.], Subarea Health Planning Councils [See, Chapter 323D, Part III, HRS.], and a certificate of need process that is intended to ensure that any new facility or expansion of an existing facility be evaluated on its probable impact on health care costs. [See, Section 323D-44, HRS.]

This law makes explicit that:

". . . No person, public or private, nonprofit or for profit, shall:

- (1) Construct, expand, alter, convert, develop, initiate, or modify a health care facility or health care services in the State that requires a total capital expenditure in excess of the expenditure minimum;*
- (2) Substantially modify or increase the scope or type of health service rendered; or*
- (3) Increase, decrease, or change the class of usage of the bed complement of a health care facility or relocate beds from one physical facility or site to another;*

unless a certificate of need therefor has first been issued by the state agency." [See, Section 323D-43, HRS.]

The HPCA asserts that Chapter 323D, HRS, is essential public policy because it requires the State to evaluate the need for health care within an area based on the financial impact to residents and communities. To the extent that this bill reaffirms this important public policy and clarifies the roles and responsibilities of SHPDA to fulfill this purpose, the HPCA wholeheartedly supports this measure.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.



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**The State Legislature
Senate Committee on Ways and Means
Friday, February 23, 2024
Conference Room 211, 10:30 a.m.**

TO: The Honorable Donovan Dela Cruz, Chair
FROM: Keali'i Lopez, State Director, AARP Hawaii
RE: Support for S.B. 2285, SD1 -Relating to State Health Planning and
Development Agency

Aloha Chair Dela Cruz, and Members of the Committee:

My name is Keali'i Lopez, and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP supports S.B 2285 SD1 which amends the functions and duties of the State Health Planning and Development Agency. Clarifies the definition of "health care" to include long term care.

The overall health care industry continues to face mounting challenges with the growing demand for care. Exacerbated by the Covid-19 pandemic, shortage of health care workers and the increasing number of kūpuna needing long term care, there is an urgent need for the State to provide the leadership and coordination of activities and resources that affect health care access, availability, and quality of care, including long term care. AARP supports the State Health Planning and Development Agency's efforts in working with public and private stakeholders to strengthen and improve Hawaii's health and long term system. In order to do this effectively, SHPDA will need the necessary staffing and funding to perform its functions and duties.

Thank you for the opportunity to support S.B. 2285 SD1.

To: The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair
Senate Committee on Ways and Means

From: Paula Arcena, External Affairs Vice President
Mike Nguyen, Public Policy Manager

Hearing: Friday, February 23, 2024, 10:30 AM, Conference Room 211

RE: **SB2285 SD1 Relating to the State Health Planning and Development Agency**

AlohaCare appreciates the opportunity to provide testimony in **support of SB2285 SD1**. This measure amends the functions and duties of the State Health Planning and Development Agency (SHPDA), establishes positions, makes an appropriation, and clarifies the definition of "health care".

Founded in 1994 by Hawai'i's community health centers, AlohaCare is a community-rooted, non-profit health plan serving over 84,000 Medicaid and dual-eligible health plan members on all islands. Approximately 40 percent of our members are keiki. We are Hawai'i's only health plan exclusively dedicated to serving Medicaid and Medicaid-Medicare dually-eligible beneficiaries. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for access to quality, whole-person care for all.

As one stakeholder among many across the health care delivery system, AlohaCare appreciates the important leadership role of SHPDA, from a statewide perspective, to comprehensively lead, plan, and build toward high-quality, equitable, and affordable care in "Hawai'i, the Health State." We support the proposed expansion to the role of SHPDA as well as the inclusion of "oral health, behavioral health, and long-term care" to fully reflect that health care is about the whole person. We underscore the importance of the need to address workforce challenges as proposed. With regard to developing an annual state global budget, we note the importance of having broad stakeholder participation, including all health plans and representation from various healthcare providers, such as community health centers among other provider types. To deliver on this proposed expansion to its function and role, we support the proposal to resource SHPDA appropriately.

Mahalo for the opportunity to submit testimony in **support of SB2285 SD1**.



Friday, February 23, 2024 at 10:30 am
Conference Room 211

Senate Committee on Ways and Means

To: Chair Donovan M. Dela Cruz
Vice Chair Sharon Y. Moriwaki

From: Paige Heckathorn Choy
Associate Vice President, Government Affairs
Healthcare Association of Hawaii

Re: **Comments**
SB 2285 SD 1, Relating to the State Health Planning and Development Agency

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the healthcare continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 30,000 people statewide.

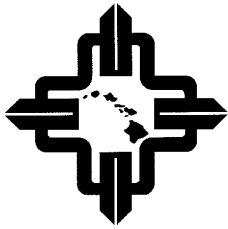
Thank you for the opportunity to provide **comments** on this measure, which seeks to modify certain functions of the State Health Planning and Development Agency (SHPDA) and add full-time employees to carry out the goals outlined in the measure. We appreciate the legislature's focus on ensuring that all patients in Hawaii have access to affordable, quality, and equitable care. We would also note that workforce challenges remain the top issues cited by our members and any efforts to support training, recruitment, and retention would be an important part of any planning on the future of healthcare in the state.

Tremendous changes in how providers are reimbursed must be considered and crafted carefully. This is especially true in Hawaii, where we have strong insurance coverage due in large part to Prepaid and expanded Medicaid. While we understand that there is the intention of forming a group to discuss payment models such as global budgets, we believe that substantially more time and consultation is needed before any statutory or regulatory changes are made.

Healthcare organizations continue to struggle financially, especially as inflation increases the costs of equipment, supplies, and labor. Any discussion on a state-wide healthcare budget must include providers, who can provide direct insight into the financial challenges they face. Without provider representatives, critical information would be left out of any decision-making on healthcare spending decisions. If the legislature is interested in further considering a global

state budget, we would strongly suggest that multiple provider groups be invited to participate in that discussion. This group could include HAH, various physician groups (e.g., independent physicians associations), the federally qualified health centers (FQHCs), and behavioral health providers, and others as deemed needed to provide a fuller picture of the needs of healthcare providers in the state.

Thank you for your consideration of our comments, and for your attention to the continuing needs of providers as we look towards the future of healthcare.



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

"Quality Healthcare For All"

LATE

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice-Chair

February 23, 2024
10:30 AM
Hawaii State Capitol
Room 211 & Via Videoconference

Testimony with Comments on SB 2285, SD1
RELATING TO THE STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

Amends the functions and duties of the State Health Planning and Development Agency. Clarifies the definition of "health care". Establishes positions. Declares that the general fund expenditure ceiling is exceeded. Makes an appropriation.

Edward N. 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 **with comments on SB 2285, SD1**.

HHSC's mission is to provide accessible, high quality, and cost-effective services for Hawaii's communities. Achieving this mission is a constant challenge in an environment of such a diverse payor mix within the populations HHSC serves. As such, we are extremely cautious about changes in how providers are reimbursed as this can have a direct impact on the amount of reimbursement HHSC realizes and subsequently the amount HHSC must request in general funds from the Hawaii State Legislature. HHSC has taken advantage of current federal and state payment programs such as the sole community hospital, critical access hospital, rural health clinic, and uncompensated care programs to maintain and even enhance healthcare services to the communities that we serve while significantly reducing the cost to the State of Hawaii in general fund appropriations. The substantial reimbursements that HHSC receives from these payment models must be taken into account in any implementation of future payment models.

HHSC aligns with HAH in our position that substantially more time and consultation are needed before any statutory or regulatory changes are made. The struggles that our private hospitals are enduring are certainly compounded for HHSC. While we understand that there is the intention of forming a group to discuss payment models,

such as global budgets, any discussion on a state-wide healthcare budget must include a full-range of providers who can provide direct insight into the financial challenges they face.

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

SB-2285-SD-1

Submitted on: 2/21/2024 6:58:30 AM

Testimony for WAM on 2/23/2024 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Beth Giesting	Individual	Support	Written Testimony Only

Comments:

February 23, 2024

To: The Hon. Donovan M. Dela Cruz, Chair, and members of the Senate Committee on Ways & Means

From: Beth Giesting

Re: Support for Senate Bill 2285, Senate Draft 1

Thank you for the opportunity to support **Senate Bill 2285, S.D. 1**, which would substantially expand and improve the functions of Hawai‘i’s State Health Planning & Development Agency (SHPDA).

The cost of health care has continued to rise faster than other costs, and the availability of services is often limited for residents of rural areas as well as uninsured people and those covered by both Medicare and Medicaid (Med-QUEST in Hawai‘i). In addition, medical, dental, and behavioral health services are often frustratingly uncoordinated for patients and caregivers. Accordingly, it is incumbent upon the State to do more to plan for and regulate, as necessary, health care services and the cost of care. The changes proposed for SHPDA in these bills are necessary to build this capacity in Hawai‘i, allowing us to join a number of other states that have already created such authorities.

Mahalo for the opportunity to testify.

SB-2285-SD-1

Submitted on: 2/21/2024 2:39:01 PM

Testimony for WAM on 2/23/2024 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeannette Kojane	Individual	Support	Written Testimony Only

Comments:

Dear Members of the Ways and Means Committee,

I am writing to offer my support for HB2285 in order to increase the capacity of SHPDA to provide quality health care to all in Hawaii. I have worked in healthcare for over 30 years and see the need in Hawaii for a coordinated effort to provide, assess and monitor quality care for all of Hawaii's citizens.

Thank you for your consideration

Jeannette Kojane

SB-2285-SD-1

Submitted on: 2/21/2024 3:26:17 PM

Testimony for WAM on 2/23/2024 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Katherine F Davis	Individual	Support	Written Testimony Only

Comments:

I wholeheartedly support this important bill.

SB-2285-SD-1

Submitted on: 2/22/2024 9:21:16 AM

Testimony for WAM on 2/23/2024 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Wesley Sumida	Individual	Support	Written Testimony Only

Comments:

To the Honorable Chair Dela Cruz, Vice Chair Moriwaka, and members of the Ways and Means Committee

My name is Wesley Sumida and I am the Chair of the Statewide Health Coordinating Council (SHCC)'s Plan Development Committee (PDC) and a member of the Honolulu Subarea Health Planning Council (HONSAC). I appreciate the opportunity to offer my testimony as an individual in **strong support** of SB2285 SD1, relating to the State Health Planning and Development Agency.

Through my experiences within the PDC and HONSAC, I have come to appreciate the value that SHPDA brings to improving health within our State.

Thank you for this opportunity to testify.

Sincerely,

Wesley Sumida

Melvin M. Sakurai

Friday, February 23, 2024
Conference Room 211 & Videoconference

Senate Committee on Ways and Means

To: Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

FROM: Melvin Sakurai, PhD., Research Information Services
Member SHPDA Universal Access Advisory Council

RE: **Testimony relating to support of SB2285-SD1
Relating to the State Health Planning and Development Agency**

My name is Melvin Sakurai and I am a management consultant with healthcare policy planning experience working with the State Department of Health (SHPDA), Governor's Executive Office on Again, Governor's Blue Ribbon Panel on Health Care, Legislative Auditor, and the Hawaii Health Systems Corporation on projects ranging from developing a publicly funded long-term care financing system to the regulation of adult residential care homes and formulating a public-private partnership solution for acute hospital wait listed patients.

As a member of the SHPDA Universal Access Advisory Council we are actively engaged with addressing the critical need to modernize and reform Hawaii's health care system to substantially improve achieving elevated quality of care and outcomes, universal equitable access, and cost-effective affordability for all.

In support of enacting SB2285-SD1, I ask that the newly added Section 2(a)5 be further amended as follows:

(5) Develop an annual state global budget based on total costs of health care for all inpatient and outpatient hospital service providers to:

(A) Prevent costs from rising faster than general inflation; and

(B) Assure all purchasers of health care facility services including Medicare and Medicaid under Section 1115 of the Social Security Act waivers, Medicare Advantage, private health insurance plans, and other service purchasers that:

i. The total costs of all hospital services offered by or through a facility are reasonable such that all purchasers shall pay for services only as set forth herein;

ii. The aggregate rates of the facility are reasonably related to the aggregate costs of the facility; and

iii. Rates are set equitably among all purchasers of services without undue discrimination.

~~(B) Assure affordability of health care services; provided that t~~The plan shall be developed no later than 2025 and shall be updated annually thereafter; provided further that the plan shall be developed and updated in consultation with the governor, department of budget and finance, Hawaii employer-union health benefits trust fund, and all public and private health plans and providers of health insurance coverage.]

SB2285-SD1 offers a pivotal opportunity to move the health care reform narrative beyond resignation and lamenting glaring problems and deficits in having high quality accountable, affordable, equitable, and accessible health care for all in Hawaii to establishing the critical tools and authorities that would actually affect the kind of fundamental changes needed. The requested amendments help to reinforce and strengthen the Legislative resolve to accomplish such change.

Mahalo for this opportunity to testify on this essential future-looking legislation.