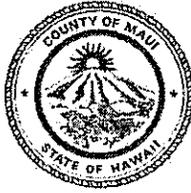


ALAN M. ARAKAWA
MAYOR



200 South High Street
Wailuku, Hawai'i 96793-2155
Telephone (808) 270-7855
Fax (808) 270-7870
e-mail: mayors.office@mauicounty.gov

OFFICE OF THE MAYOR

Ke'ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

HOUSE COMMITTEE ON HEALTH
Friday, February 3, 2012
9a.m. – Conference Room 329
State Capitol – 415 S. Beretania St.

HB2664 Relating to Maui Memorial Medical Center and Hale Makua

Thank you for the opportunity to testify in **strong support of HB2664**, which proposes to establish a public-private partnership between Maui Memorial Medical Center and Hale Makua Health Services to develop an integrated system to deliver health care across the spectrum of care of Maui County.

I support this measure for the following reasons:

- Maui County is growing rapidly and currently has an aging population that will need integrated healthcare services such as those proposed by SB2935.
- Post acute-care options are limited on Maui, and make it difficult for families who need post acute-care, but have limited resources.
- A poor payer mix makes it difficult for healthcare facilities to be financially viable. This proposed partnership would strengthen both, while providing better access to much-needed health services for Maui's people.

I respectfully urge the committee to pass SB 2935. Thank you for this opportunity to testify.

Respectfully submitted,

A handwritten signature in black ink that reads "Alan Arakawa".

Name: Alan M. Arakawa

Title: Mayor, County of Maui

Address: 200 S. High Street, Wailuku 96793

Phone: 808-270-7855

Council Chair
Danny A. Mateo

Vice-Chair
Joseph Pontanilla

Council Members
Gladys C. Baisa
Robert Carroll
Elle Cochran
Donald G. Couch, Jr.
G. Riki Hokama
Michael P. Victorino
Mike White



Director of Council Services
Ken Fukuoka

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/council

February 2, 2012

TO: The Honorable Ryan I. Yamane, Chair
House Committee on Health

FROM: Danny A. Mateo
Council Chair

SUBJECT: **HEARING OF FEBRUARY 3, 2012; TESTIMONY IN SUPPORT OF HB 2664,
RELATING TO HEALTH CARE COORDINATION**

Thank you for the opportunity to testify in support of this important measure. The purpose of this measure is to establish a public-private partnership between Maui Memorial Medical Center and Hale Makua Health Services to develop an integrated system to deliver health care across the spectrum of care in Maui County.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. Maui Memorial Medical Center has maintained a steady wait-list of 20-45 patients for the past several years. If these patients could be discharged to Hale Makua, they would receive the appropriate level of care and free up hospital beds for acute-care patients.
2. The proposed partnership would provide long-term stability for Maui's healthcare infrastructure in a cost-effective way, while creating synergy and opportunities for growth between the two healthcare organizations.
3. Providing for Maui's future long-term care needs now will prevent a healthcare crisis in the future.

For the foregoing reasons, I support this measure.

Council Chair
Danny A. Mateo

Vice-Chair
Joseph Pontanilla

Council Members
Gladys C. Baisa
Robert Carroll
Elle Cochran
Donald G. Couch, Jr.
G. Riki Hokama
Michael P. Victorino
Mike White



Director of Council Services
Ken Fukuoka

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/council

February 2, 2012

TO: Honorable Ryan I. Yamane, Chair
House Committee on Health

FROM: Robert Carroll
Council Member, East Maui

A handwritten signature in cursive script that reads "Robert Carroll".

DATE: Friday, February 3, 2012, 9:00 a.m.

SUBJECT: **SUPPORT HB 2664, RELATING TO HEALTH CARE COORDINATION**

I support HB 2664 for the reasons cited in testimony submitted by the Maui County Council Chair, and urge you to support this measure.



MAUI MEMORIAL
MEDICAL CENTER

Hawaii Health Systems Corporation—Maui Region
HOUSE COMMITTEE ON HEALTH
Friday, February 3, 2012
9a.m. – Conference Room 329
State Capitol – 415 S. Beretania St.

HB2664 Relating to Maui Memorial Medical Center and Hale Makua

Thank you for the opportunity to testify in **strong support of HB2664**, which proposes to establish a public-private partnership between Maui Memorial Medical Center (MMMC) and Hale Makua Health Services (Hale Makua) to develop an integrated system to deliver health care across the spectrum of care of Maui County.

I support this measure for the following reasons:

- MMMC has maintained a steady wait-list of 20-45 patients for the past several years. If these patients could be discharged to Hale Makua, they would receive the appropriate level of care, and free up hospital beds for acute care patients.
- The proposed partnership would provide long-term stability for Maui's healthcare infrastructure in a cost-effective way, while creating synergy and opportunities for growth between the two healthcare organizations.
- Providing for Maui's future long-term care needs now, will prevent a healthcare crisis in the future.

I respectfully urge the committee to pass SB 2935. Thank you for this opportunity to testify.

Respectfully submitted,

Name: Wesley Lo

Title: Maui Memorial Medical Center Chief Executive Officer

Address: 221 Mahalani St., Wailuku, HI 96793

Phone: 808-442-5100



HALE MAKUA HEALTH SERVICES

2/2/12

To: Members of the Senate Committee on Human Services

Testimony in Support of SB 2664 Relating to Health Care Coordination

Aloha Chairman Yamane and members of the House Health Committee. My name is Tony Krieg, C.E.O. of Hale Makua Health Services a 60 year old non profit healthcare organization which provides post acute health care services on the Island of Maui .

This bill creates an opportunity to develop innovative partnerships which will enable Hale Makua Health Services (HMHS) and Maui Memorial Medical Center (MMMC) to better serve the people of Maui and expand healthcare options for persons need acute and post acute care.

Both organizations have provided the community with healthcare for over 60 years. Hale Makua is currently challenged with an unprecedented number of empty beds, and MMMC is challenged with a wait list of individuals who have no point of discharge, including Hale Makua, for a variety of reasons. There is a current crisis of limited post-acute care options on Maui; a payer mix disproportionately weighted toward Medicaid, which does not cover the actual cost of care; and inadequate physician coverage to admit and discharge patients. The two organizations are looking for ways to create operational synergies, and cost efficiencies, which will ultimately benefit Maui County residents. This collaboration is an important and effective way to address challenges arising from changes in the healthcare industry.

Members of the Hale Makua Health Services and Maui Memorial Medical Center Boards of Directors are working diligently with legal counsel to develop a specific structure and methodology to provide sustainable, effective and quality healthcare to the people of Maui.

We urge you to pass the bill. If you have any questions please don't hesitate to contact me at 808 385-3267 – or tonyk@halemakua.org

About Maui Memorial Medical Center

Maui Memorial Medical Center is Maui's only full-service, acute medical care facility. Located in central Maui in Wailuku, the center has 1,200 employees and is licensed for

213 acute care beds, and provides comprehensive healthcare for Maui County, including Lanai and Molokai. MMMC is the only hospital outside of Oahu also providing a full range of cardiac services, including open-heart surgery and angioplasty.

About Hale Makua Health Services

Hale Makua Health Services is a private, non-profit 501(c)(3) corporation that was established in 1946 to provide a nursing home for elders who had no one to care for them or means to pay for needed services. The organization is the only Eden Alternative registered home in the state of Hawaii, and whose mission is to ensure individuals in our community are restored to health and independence, and transition through life with dignity and respect. Hale Makua Health Services is one of Maui's largest non-government employers with over 500 employees serving four home- and community-based healthcare programs, which include Hale Makua Long-Term providing nursing care and homes for up to 344 residents; Home Health by Hale Makua provides post-acute care and social work services to homebound clients of all ages and adult foster family case management; Rehab by Hale Makua specializes in both in and out-patient physical, occupational and speech therapies; and Adult Day Health by Hale Makua provides adults with a variety of health, therapeutic, and social services. For more information visit HaleMakua.org, find us on Facebook, or follow us on Twitter @HaleMakua.

My name is Joyce Tamori. I am the CFO at Health Makua Health Services. Hale Makua Health Services supports H.B. 2664. A public-private partnership to research, facilitate, develop, and implement a model and system of collaborative healthcare delivery in the County of Maui that moves patients throughout the continuum of care efficiently, appropriately, and cost effectively needs support from the State of Hawaii. With the support of the State, public hospital Maui Memorial Medical Center (MMMC) and private non-profit Hale Makua Health Services will be able to create a model of healthcare delivery that better serves Maui's people by implementing by a partnership that creates a continuum of care, while maximizing capacity and increasing operational and financial viability of both organizations.

To: Representative Yamane, Chairman of the House Health Committee and Committee Members:

My name is Roy Sakamoto. I am chairman of the Board of Trustees of the not for profit Hale Makua Health Services on Maui. Please be advised that our Board of Trustees unanimously supports H.B. 2664 which will establish a public-private partnership to facilitate, develop, and implement a model of collaborative healthcare delivery on Maui that will move patients through the continuum of care efficiently, appropriately, and cost effectively. With the support of the State, public hospital Maui Memorial Medical Center and our private, not for profit Hale Makua Health Services will be able to create a model of healthcare delivery that better serves Mauians by implementing a partnership that will create this continuum of care while maximizing capacity and increasing operational and financial viability of both organizations. Thank you for your support.

Testimony in Support of H.B. 2664 - Relating to Health Care Coordination

To: Representative Yamane, Chairman of the House Health Committee and Committee

My name is Connie Miller. I am the Administrator of Health Makua Health Services' nursing home in Wailuku. For many, many years Hale Makua Wailuku was able to maintain a near-capacity census at this 124-bed facility. Last year, due to low census and mounting financial losses, I decertified 34 beds. Staff were laid off, and this wing of our facility sits empty. Of the 90 remaining beds, our census hovers around 78-80. Hale Makua Kahului is also experiencing an unprecedented number of empty beds.

This bill creates an opportunity for Hale Makua to develop a partnership with Maui Memorial Medical Center that will allow us to admit wait listed individuals at the hospital who currently have no point of discharge. This in turn allows the hospital to appropriately utilize their acute care beds.

The Maui Community will benefit from a public-private partnership that results in a system of collaboration that moves patients throughout the continuum of care efficiently, appropriately, and cost effectively.

Testimony in Support of H.B. 2664 - Relating to Health Care Coordination

To: Representative Yamane, Chairman of the House Health Committee and Committee Members:

My name is Donna L McCleary , MD . I am a member of both the Health Makua Health Services Board of Directors and the Maui Memorial Medical Center Board of Directors, both of which supports this bill.

This bill creates opportunity to develop innovative partnerships which will enable Hale Makua Health Services (HMHS) and Maui Memorial Medical Center (MMMC) to better serve the people of Maui and expand healthcare options for residents. Both organizations have provided the community with healthcare for over 60 years. Hale Makua is currently challenged with an unprecedented number of empty beds, and MMMC is challenged with a wait list of individuals who have no point of discharge, including Hale Makua, for a variety of reasons. The two organizations are looking for ways to create operational synergies, and cost efficiencies, which will ultimately benefit Maui County residents. This collaboration is an important and effective way to address challenges arising from changes in the healthcare industry.

I urge you to allow and facilitate this collaboration for the good of the Maui community .

Respectfully,

Donna L McCleary, MD

morikawa2 - Grant

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 02, 2012 9:23 AM
To: HLTtestimony
Cc: gayle@longfinancialservices.com
Subject: Testimony for HB2664 on 2/3/2012 9:00:00 AM

Testimony for HLT 2/3/2012 9:00:00 AM HB2664

Conference room: 329
Testifier position: Support
Testifier will be present: No
Submitted by: Gayle Long
Organization: Hale Makua Health Services
E-mail: gayle@longfinancialservices.com
Submitted on: 2/2/2012

Comments:

To: Representative Yamane, Chairman of the House Health Committee and Committee Members

My name is Gayle Long. I am a member of the Health Makua Health Services Board of Directors. Hale Makua Health Services supports H.B. 2665. Hale Makua Health Services (Hale Makua) and Maui Memorial Medical Center (MMMMC) have been very successful in serving the residents of Maui county for over 60 years. There is a current crisis of limited post-acute care options on Maui; payer mix disproportionately weighted toward Medicaid, which does not cover the actual cost of care; and inadequate physician coverage to admit and discharge patients. Both organizations have the goal of achieving operational synergies and cost efficiency that will address this crisis and benefit both organizations, which in turn benefits the residents of Maui. To realize an effective partnership to resolve this crisis requires support from the State of Hawaii.

Testimony in Support of H.B. 2664 - Relating to Health Care Coordination

To: Representative Yamane, Chairman of the House Health Committee and
Committee Members

My name is Merie-Ellen Gushi and I am a member of the Health Makua Health Services Board of Directors. Hale Makua Health Services supports H.B. 2665. This bill creates opportunity to develop innovative partnerships which will enable Hale Makua Health Services (HMHS) and Maui Memorial Medical Center (MMMC) to better serve the people of Maui and expand healthcare options for residents. Both organizations have provided the community with healthcare for over 60 years. Hale Makua is currently challenged with an unprecedented number of empty beds, and MMMC is challenged with a wait list of individuals who have no point of discharge, including Hale Makua, for a variety of reasons. There is a current crisis of limited post-acute care options on Maui; payer mix disproportionately weighted toward Medicaid, which does not cover the actual cost of care; and inadequate physician coverage to admit and discharge patients. Both organizations have the goal of achieving operational synergies and cost efficiency that will address this crisis and benefit both organizations, which in turn benefits the residents of Maui. To realize an effective partnership to resolve this crisis requires support from the State of Hawaii.

Thank you for this opportunity to wholeheartedly support H.B. 2665.

Testimony in Support of H.B. 2664 - Relating to Health Care Coordination

To: Representative Yamane, Chairman of the House Health Committee and Committee Members

My name is Glenn Hamai. I am a member of the Health Makua Health Services Board of Directors, and I support H.B. 2664. Hale Makua Health Services (Hale Makua) and Maui Memorial Medical Center (MMMC) have been very successful in serving the residents of Maui county for over 60 years. There is a current crisis of limited post-acute care options on Maui; payer mix disproportionately weighted toward Medicaid, which does not cover the actual cost of care; and inadequate physician coverage to admit and discharge patients. Both organizations have the goal of achieving operational synergies and cost efficiency that will address this crisis and benefit both organizations, which in turn benefits the residents of Maui. To realize an effective partnership to resolve this crisis requires support from the State of Hawaii.



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

"Touching Lives Every Day"

House Committee on Health
Ryan I. Yamane, Chair
Dee Morikawa, Vice Chair

February 3, 2012
Conference Room 329, 9:00 a.m.
Hawaii State Capitol

Testimony Supporting HB 2664 relating to health care coordination. Establishes a public-private partnership in a county with a population between 100,000 and 170,000; partnership to develop an integrated system to deliver health care across the spectrum of care; partnership to work at addressing the current crisis in acute care.

Bruce S. Anderson, Ph.D.
President and Chief Executive Officer
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) thank you for the opportunity to testify in support of HB 2664.

Maui Memorial Medical Center (MMMC) and Hale Makua Health Services (Hale Makua) have been core providers of health services for Maui County for more than 60 years. MMMC provides acute care hospital services on Maui with a license for 213 beds. MMMC provides full acute hospital services, including the only cardiology program outside of Oahu. With the only other Maui acute care at Kula, a critical access hospital with 4 licensed beds, it is imperative that MMMC's beds and emergency department maintain a level of readiness for the vast majority of the admissions and emergencies that occur on the island.

Unfortunately, MMMC has had a long standing wait list problem, which is a major issue, both financially and due to quality of care concerns. A patient in an acute care bed who needs long term care, for example, will not be able to set up residence in the long term care unit where the resident can participate in social activities, obtain rehab services, and be afforded other privileges that residents of nursing homes enjoy. For this basic reason, a patient being in an acute setting for a long period of time, when he or she is not acutely ill, is simply not healthy.

3675 KILAUEA AVENUE • HONOLULU, HAWAII 96816 • PHONE: (808) 733-4020 • FAX: (808) 733-4028

HILO • HONOKAA • KAU • KONA • KOHALA • WAIMEA • KAPAA • WAILUKU • KULA • LANAI • HONOLULU
www.hhsc.org <<http://www.hhsc.org>>

MMMC presently has a large waitlist population. In December, 2011, there were on average 36 non-acute patients assigned to acute care medical/surgical beds. This is extremely significant because out of 140 (plus 12 overflow) med/surg beds, it amounts to almost one-third of total census. Additionally, there were several people in the emergency department (ED) waiting for beds. If a big accident had occurred on the island, the ED would have had trouble handling it because the ED bays were filled with patients who needed inpatient beds. Therefore, the waitlist problem has a great impact on patient care at the acute end of the scale, as well. The problem also creates a financial burden, with an estimated \$20 million dollars lost per year due to low or no reimbursement to MMMC for the care given to the waitlisted patients.

Hale Makua, located on Maui, is licensed for a total of 344 beds in two facilities for skilled nursing and intermediate care nursing services (long term care). Integrated with its nursing home services are home health, rehabilitation and adult day health programs. Hale Makua is currently challenged with an unprecedented number of empty beds.

Therefore, the two entities have entered into discussions to explore opportunities for collaboration. The two entities will look for ways to create operational synergies, and cost efficiencies, which will ultimately benefit Maui County residents. The discussions, which will take place over the next several months, are preliminary, and specific details will need to be developed during this time.

This bill is instrumental in supporting the collaboration, which has become an important and effective way to address challenges arising from changes in the health care industry. The opportunity to develop innovative partnerships will enable us to better serve the community and expand health care options for residents.

Thank you for the opportunity to testify before this committee.

morikawa2 - Grant

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 02, 2012 1:27 PM
To: HLTtestimony
Cc: michael@mhplanning.com
Subject: Testimony for HB2664 on 2/3/2012 9:00:00 AM

Testimony for HLT 2/3/2012 9:00:00 AM HB2664

Conference room: 329
Testifier position: Support
Testifier will be present: No
Submitted by: Michael Munekiyo
Organization: Individual
E-mail: michael@mhplanning.com
Submitted on: 2/2/2012

Comments:

My name is Michael Munekiyo. I am a member of the Health Makua Health Services Board of Directors. Hale Makua Health Services supports H.B. 2665. A public-private partnership to research, facilitate, develop, and implement a model and system of collaborative healthcare delivery in the County of Maui that moves patients throughout the continuum of care efficiently, appropriately, and cost effectively needs support from the State of Hawaii. With the support of the State, public hospital Maui Memorial Medical Center (MMMC) and private non-profit Hale Makua Health Services will be able to create a model of healthcare delivery that better serves Maui's people by implementing by a partnership that creates a continuum of care, while maximizing capacity and increasing operational and financial viability of both organizations.

morikawa2 - Grant

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 02, 2012 1:56 PM
To: HLTtestimony
Cc: hamaig001@hawaii.rr.com
Subject: Testimony for HB2664 on 2/3/2012 9:00:00 AM

Testimony for HLT 2/3/2012 9:00:00 AM HB2664

Conference room: 329
Testifier position: Support
Testifier will be present: No
Submitted by: Glenn Hamai
Organization: Individual
E-mail: hamaig001@hawaii.rr.com
Submitted on: 2/2/2012

Comments:

morikawa2 - Grant

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 02, 2012 7:11 AM
To: HLTtestimony
Cc: bfernandez@matson.com
Subject: Testimony for HB2664 on 2/3/2012 9:00:00 AM

Testimony for HLT 2/3/2012 9:00:00 AM HB2664

Conference room: 329
Testifier position: Support
Testifier will be present: No
Submitted by: buzz fernandez
Organization: Individual
E-mail: bfernandez@matson.com
Submitted on: 2/2/2012

Comments:

The continued operation of Hale Makua Health Services is absolutely essential to Maui's community.

My mother was severely injured in a car accident that killed her husband. She was suffering from Alzheimer's disease, and my stepfather was her caregiver. Hale Makua was full at that time but the Wailuku branch had one bed available, and we were fortunate enough to place Mom at that facility.

The care was exceptional, caring and personal. Mom passed away in April, 2008. I continued to go to Hale Makua, Wailuku, as a volunteer, and continue to volunteer to this day. Additionally, I serve on their Special Events Fundraising Committee, and am a member of their Board of Trustees.

I have seen more and more beds become empty due to cuts in Medicaid and Medicare. The very existence of the Wailuku branch is in jeopardy, and any income to help offset the federal and state cuts in the aforementioned benefits

HB2664 will certainly go a long way in helping Hale Makua Health Services remain a viable community option for long-term health care for our Kupuna and those with disabilities.

Mahalo for your consideration.

HOUSE COMMITTEE ON HEALTH
Friday, February 3, 2012
9a.m. – Conference Room 329
State Capitol – 415 S. Beretania St.

HB2664 Relating to Maui Memorial Medical Center and Hale Makua

TO: Representative Ryan Yamane, Chair
Representative Dee Morikawa, Vice Chair

FROM: R. Clay Sutherland, Attorney
24 N. Church Street, Wailuku, 96793
(808) 249-2522

Thank you for the opportunity to testify **in strong support of HB2664**, which proposes to establish a public-private partnership between Maui Memorial Medical Center and Hale Makua Health Services to develop an integrated system to deliver health care across the spectrum of care of Maui County.

I support this measure for the following reasons:

- Maui County is growing rapidly and currently has an aging population that will need integrated healthcare services such as those proposed by SB2935.
- Post acute-care options are limited on Maui, and make it difficult for families who need post acute-care, but have limited resources.
- A poor payer mix makes it difficult for healthcare facilities to be financially viable. This proposed partnership would strengthen both, while providing better access to much-needed health services for Maui's people.

I respectfully urge the committee to pass SB 2935. Thank you for this opportunity to testify.

Testimony for HB2664 / SB2935

Option A

Testimony in Support of H.B. 2664 - Relating to Health Care Coordination

To: Representative Yamane, Chairman of the House Health Committee and Committee Members:

My name is Kathleen Deknis and I support this bill.

This bill creates opportunity to develop innovative partnerships which will enable Hale Makua Health Services (HMHS) and Maui Memorial Medical Center (MMMC) to better serve the people of Maui and expand healthcare options for residents. Both organizations have provided the community with healthcare for over 60 years. Hale Makua is currently challenged with an unprecedented number of empty beds, and MMMC is challenged with a wait list of individuals who have no point of discharge, including Hale Makua, for a variety of reasons. The two organizations are looking for ways to create operational synergies, and cost efficiencies, which will ultimately benefit Maui County residents. This collaboration is an important and effective way to address challenges arising from changes in the healthcare industry