



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

"Touching Lives Everyday"

Senate Committee on Health

Senator Rosalyn Baker, Chair

Thursday 9, February, 2:45PM, Room # 225

TESTIMONY SUPPORTING SB2694

SB2694: EXEMPTS PHYSICIAN SERVICES, HOSPITAL CHARGES, NURSING SERVICES, AND REHABILITATION SERVICES FROM THE COUNTY SURCHARGE ON STATE TAX.

Individual Testimony of
Thomas M. Driskill, Jr.
President and Chief Executive Officer
Hawaii Health Systems Corporation

Thank you for this opportunity to testify on behalf of the Hawaii Health Systems Corporation in support of SB2694, which would exempt physician services, hospital charges, nursing services and rehab services from the county surcharge on State tax. This is a bill that needs to be passed as soon as possible to assist all of Hawaii's hospitals and our medical / nursing / rehab professionals to reduce the skyrocketing costs of providing care to Hawaii's citizens. Hospitals and healthcare professionals are struggling everyday to keep costs down, but it is almost impossible to do that. Any relief that can be provided by the County, State or Federal government in regard to reducing costs of care will be of benefit to the State and especially to our citizens. SB2694 proposes a small but important first step in the right direction to reducing healthcare costs.

The ever-escalating costs of healthcare are more exacerbated on the Neighbor Islands due to the higher percentage of Neighbor Island populations that are "low-income" or already at the poverty level, compared to Oahu demographics. Any reduction in costs for healthcare services provided to patients, particularly for those on the Neighbor Islands will be of measurable assistance.

Of the 12 community hospitals that Hawaii Health Systems Corporation manages, 10 of those facilities are on the Neighbor Islands, and four of those ten hospitals are also our largest and busiest facilities. The volume of patient care provided in just those four hospitals is immense, and as SB 2694 proposes to do, the exemption of the surcharge on medical care services would be of significant benefit not only to the HHSC hospitals but to the healthcare professionals providing the care, and the resultant effect would be the provision of more cost-efficient, affordable healthcare for all patients.

Thank you for supporting passage of SB 2694. Your leadership in the Legislature and your past support of HHSC is greatly appreciated.

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