

HAWAII HEALTH SYSTEMS CORPORATION

AT-A-GLANCE FACT SHEET

Profile

HHSC is the largest provider of healthcare in the Islands, other than on Oahu and Molokai, and is the only acute care provider on the islands of Maui and Lanai. HHSC is the "Safety Net" for Neighbor Island Acute Care and the "Safety Net" for Long-Term Care (LTC) in the state of Hawaii. The system operates 1,275 licensed beds, 800 of which are designated long-term care beds, in facilities located on five different islands. In Fiscal Year 2013, there were 21,141 acute care admissions and 1,329 long-term care admissions.

HHSC has over 4000 (full-time equivalent) employees. Over 89 percent of the employees are represented by one of two unions and are divided into seven collective bargaining units. The two collective bargaining representatives are United Public Workers and the Hawaii Government Employees Association. Since HHSC is a public agency, its employees are provided the same benefits, rights, and privileges of those of other state agencies. The membership of the collective bargaining units also includes employees from other state agencies. There are close to 1000 physicians affiliated with HHSC facilities.

The mission of HHSC is to provide and enhance accessible, comprehensive healthcare services that are quality-driven, customer-focused, and cost-effective. The vision of HHSC is to be the provider of choice for the communities it serves, employer of choice for its staff, and system of choice for its physicians. To further the development of its delivery system, HHSC works closely with physician organizations and other healthcare providers in the planning and implementation of joint business strategies. Physicians, community leaders, and employee representatives are involved in local as well as corporate decision-making. Most of the facilities have fundraising foundations that provide the communities an opportunity to provide financial gifts to their local hospitals.

Key Facts About Hawaii's Community Hospital System

HHSC is comprised of 12 public hospitals, in addition to three non-profit affiliate providers (*) who care for all regardless of their patient's ability to pay. We provide a range of services, including emergency, specialized disease management, primary care, rural care, long-term care, home health and adult day-health – all of which improve the health of individuals and promote the economic health of our island communities throughout the state of Hawaii.

East Hawaii Region

- Hilo Medical Center
- Hale Ho'ola Hamakua
- Ka'u Hospital
- Yukio Okutsu State Veterans Home “

West Hawaii Region

- Kona Community Hospital
- Kohala Hospital
- Ali'i Community Health Center *

Maui Region

- Maui Memorial Medical Center
- Kula Hospital
- Lanai Community Hospital
- Roselani Place *

Oahu Region

- Leahi Hospital
- Maluhia
- Kahuku Medical Center *

Kauai Region

- West Kauai Medical Center
- Samuel Mahelona Memorial Hospital

Significant Regional Milestones in 2013 In Direct Response to the Health Care Needs of Our Communities

East Hawaii Region

- HHSC Primary Care Training Program established and supported through State Funding, Program accreditation pending and Family Practice Residents slated to begin in 2014.
- Honored as one of two hospital groups in the state and one of 478 hospitals in the United States to successfully implement Electronic Medical Record – Stage One Meaningful Use achieved for entire HHSC East Hawaii Region.
- Stroke Program enhanced with addition of new Neuro-Radiologist at Hilo Medical Center.
- Implementation of Tobacco Free policy for HHSC East Hawaii Region facilities, effective May 2013.

West Hawaii Region

- Opened on-campus Cardiology Clinic in partnership with MMMC at Kona Community Hospital
- Completed Electronic Medical Record Go-Live on February 1, 2013 at Kona Community Hospital and Kohala Hospital

Maui Region

- Maui Memorial Medical Center was ranked fourth (of all eligible Hawaii hospitals) in the state by the Centers for Medicare and Medicaid Services for their performance in Value Based Purchasing. The VBP program is mandated by the Affordable Care Act and links provider payments to improved performance by health care providers.
- Maui Memorial Medical Center received the Get With The Guidelines®–Heart Failure Gold Plus Quality Achievement Award from the American Heart Association. The recognition signifies that MMMC has reached an aggressive goal of treating heart failure patients with 85 percent compliance for at least 24 months to core standard levels of care as outlined by the American Heart Association/American College of Cardiology secondary prevention guidelines for heart failure patients. This marks the fourth year that MMMC has been recognized with a quality achievement award.

Oahu Region

- Developed new program to service patients with memory and behavioral issues
- Received initial funding to develop the Leahi Hospital Campus Plan
- In a collaborative effort with State and City of Honolulu, Maluhia has begun initial construction phase of parking expansion

Kauai Region

- Strengthened the administration, clinical and operating capacity of the Kauai Clinics with the hiring of a new clinic manager
- KVMH earned a five-star rating from CMS for the fifth consecutive year
- KVMH received the highest score from Premiere for Hawaii hospitals in evidence-based medicine, patient experience composite scores and readmission rates

Board of Directors

As prescribed by Act 278 of the 2013 Legislative Session, the HHSC Corporate Board of Directors consists of 18 members, including the state Director of Health (ex-officio), an at-large member appointed by the Governor, the five regional chief executive officers (ex-officio, non-voting status), and two members who reside in the county of Maui appointed by the Maui regional system board, one member each who resides in the East Hawaii region, West Hawaii region, Kauai region, and Oahu region. One additional community member from each of the five regions will also soon be appointed by the Governor. Custodial control over operations, facilities, and personnel rests with the regional boards established in 2007.

The HHSC board members include:

William Wood, Ph.D., Oahu
Dan Brinkman, Interim CEO, East Hawaii
Jay Kreuzer, CEO, West Hawaii
Wesley Lo, CEO, Maui
Derek Akiyoshi, CEO, Oahu
Scott McFarland, Interim CEO, Kauai
Creighton Arita, At-Large
Brandon Starr, Maui
Andrew Garrett, Oahu

Linda Rosen, M.D., Department of Health
Carol VanCamp, East Hawaii
Kenneth Ono, West Hawaii
Russell Yamane, Maui
(VACANT), Maui
David Peters, Kauai
(NEW SEAT), West Hawaii
(NEW SEAT), East Hawaii
Antonette Torres, Kauai

May was a month of springing into legislative action in the nation's capital. HAH's President and CEO **George Greene**, along with Board Chair **Emilie Smith** and Chair-Elect **Kathy Raethel**, attended the American Hospital Association's annual meeting, where the [2014 Advocacy Agenda](#) was unveiled.

These Hawaii healthcare leaders then visited the offices of Hawaii's Congressional Delegation to reinforce the need to block further Medicare and Medicaid cuts in the state, and to support reasonable implementation of the Affordable Care Act.

Economic Challenges/Operational Challenges

- HHSC hospitals are facing an ever-changing and extremely complex health care environment today, particularly with critical challenges in being able to respond effectively and efficiently to federal healthcare reform
- Inadequate government and third-party payer reimbursements for services
- Escalating costs related to physician recruitment and retention. Significant physician shortages on the Big Island.
- Higher utilization and costs of prescription drugs associated with acute care services
- Additional and on-going costs associated with new federal and state compliance and enforcement programs and directives
- Increased costs of caring for Hawaii's elderly population and high number of dual eligible
- Urgent need for capital – aging facilities with extensive life and safety code issues with insufficient funding available
- Total collective bargaining costs for HHSC totaled \$19 million for fiscal year 2014; however the State provided \$12 million in funding to cover these costs, leaving HHSC with a \$7 million funding shortfall

- HHSC stands to lose approximately \$5.7 million in federal funds in the form of reduced Medicare payments as a result of federal deficit reduction measures. This includes the Federal Budget Control Act sequester. Once sequestration occurs, there will be an immediate 2 percent cut in Medicare payments, which will result in an estimated negative impact of \$3.1 million annually to HHSC's revenues
- The present forecast for a rate increase in employee fringe benefit costs from 36.96 percent to a budgeted assumption 40 percent means there is an additional \$7 million per year in salary and benefit expenses
- HHSC is in the process of transitioning to the use of ICD-10 code sets for diagnoses and procedures mandated by the U.S. government. HHSC has begun preparing for the conversion deadline, October 1, 2015, which involves extensive planning, additional funding and considerable physician and employee training.
- HHSC continues its electronic medical record implementation. At this point, Kona Community Hospital, Kohala Hospital and Maui Memorial Medical Center have gone live. Remaining HHSC facility go-lives are expected to follow in 2015, pending HHSC's ability to recruit and retain qualified IT analyst.
- Outdated union work rules

For More Information

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