

The Maui News

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WEDNESDAY, August 12, 2015

75 CENTS

Hospital partner selection imminent



The Maui News / MATTHEW THAYER photos

Gov. David Ige makes his opening statement Tuesday at an informational meeting, attended by about 50 people, on the Maui Memorial Medical Center, Kula Hospital and Lanai Community Hospital partnership with a private health care nonprofit entity. Hawaii Pacific Health and Kaiser Permanente Hawaii are the two candidates in the running.

By **EILEEN CHAO**
Staff Writer

KAHULUI — Hospital and state administrators intend to select either Kaiser Permanente Hawaii or Hawaii Pacific Health as a partner for Maui's three public hospitals by the end of next month, officials said Tuesday.

"For those of us in Hawaii, we are so fortunate that we definitely are ahead of the nation in terms of our commitment in believing that quality health care really should be provided to each and every citizen," Gov. David Ige said during a public forum Tuesday night at Maui Waena Intermediate School.

The former chairman of the Senate health committee added that "we have tried a number of different things about how to better manage health care on the island for these facilities, and I'm really committed to seeing that we find the model that best delivers quality health care to all of you citizens."

Kaiser and HPH are the only suit-

ors that have expressed interest in partnering with the three public hospitals of the Maui region of Hawaii Health Systems Corp. The HHSC is the quasi-public entity that runs Maui Memorial Medical Center and Kula and Lanai Community hospitals in Maui County as well as other Neighbor Island and rural Oahu public health facilities.

Their proposals are due by 4:30 p.m. Aug. 24, after which the HHSC Maui Region Board will deliberate and compare submissions, along with the Ige administration. Hospital administrators hope to select a partner by the end of September to begin negotiations and have a "binding, definitive agreement" in place by the end of the year, according to HHSC Maui Region Chief Executive Officer Wes Lo.



Wes Lo

next year, with all current hospital employees protected for the first six months after the deal is closed, as outlined by the law.

Joe Pluta, who has lobbied for a West Maui hospital for 17 years, said that he believes health care on Maui is in "a crisis, an emergency situation." He said all Maui residents and visitors need access to quality health care, and that Maui Memorial has not been able to keep up with objectives it laid out in its general plan.

"This process creates new hope again, I don't see how we could lose. Of the two suitors we got ... Maui wins, no matter who is selected. I like those odds," he said.

Others were more critical of what a potential partner could offer Maui, raising questions about the expansion of services, access to special-



Joe Pluta

A contract could be signed early

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ized physicians and financial investments in Maui facilities that a new partner would bring.

"It's not only the upkeep of critical services that we need but (to) expand," said Pamela Tumpap, president of the Maui Chamber of Commerce.

A mother to a son who is bipolar, Tumpap advocated for the return of critical adolescent behavioral health services on Maui. The Molokini II Adolescent Behavioral Health unit at Maui Memorial closed last fall mainly due to a physician shortage but offered cost savings as well.

"We want to make sure we have all levels of care," she said. "So many times we have to go to Oahu and that's a huge concern."

What kind of resources either partner will be able to bring to Maui won't be clear until after proposals are submitted later this month, administrators said.

A spokesman for Hawaii Pacific Health, which has been in talks with Maui Memorial for more than a year, said the non-profit health care organization currently is finalizing its proposal.

"Our goal is, and has always been, to create a sustainable health care system for Maui and Lanai that will grow with the needs of the community and provide residents with access to high quality health care close to home," David Okabe, HPH executive vice president, chief financial officer and treasurer, said in a statement. The company's network includes Kapiolani Medical Center, Pali Momi Medical Center, Straub Clinic and Hospital on Oahu and Wilcox Health on Kauai.

HPH had been the sole contender for the public-private partnership until Kaiser formally entered the running as a potential partner in May, as enabling privatization legislation, House Bill 1075, cleared its final hurdles in the Legislative session. Ige signed the bill into law during a ceremony on Maui in June.

Kaiser spokeswoman Laura Lott confirmed in an email Monday that the nonprofit health care organization is working on a proposal for submittal by the end of the month.

"We look forward to strengthening our relationships with the Maui hospitals to help ensure high quality health care for the entire community," Lott said.

A handful of protesters gathered outside the meeting waving signs against a partnership with Kaiser. A distributed flier alleged that "if Kaiser was awarded with Maui Memorial Medical Center it would control acute care hospital services on Maui, it would have a virtual health care monopoly on Maui."

Kaiser has offered medical services on Maui for more than 55 years and serves more than 52,000 members on the island.

What the partnership might actually look like, what kind of protections will be in place for state employees who will transition to the private sector or what other changes the new partner may make to the Maui hospitals are still up in the air.

Hospital workers raised those concerns during a staff meeting at Maui Memorial earlier Tuesday afternoon and offered comments on what they'd like to see after the partnership is forged.

"We've worked long and hard to deliver great services to

Kaiser schedules own meetings

The Maui News

Kaiser Permanente, which is one of the two health care companies seeking to manage Maui Memorial Medical Center and Kula and Lanai Community hospitals, will be holding two informational meetings on Maui today and Wednesday.

The meetings will be held tonight from 6 to 7 at Waiola Church Hall, 535 Waimee St. in Lahaina, and from 5:30 to 6:30 p.m. Thursday at the University of Hawaii Maui College Multipurpose Room on the second floor of the Pilina Building.

A flier about the meetings says Kaiser officials want to offer their vision for Maui Memorial and Kula Hospital and to hear thoughts from the community.

"We welcome the opportunity to partner with you,

your physicians, and the teams at Maui Memorial Medical Center and Kula Hospital to ensure a healthy future for Maui," the flier said.

Kaiser and Hawaii Pacific Health are the only health care entities in the running to form a partnership with Maui County's three public hospitals. The state Legislature passed a bill in the past session allowing a public-private partnership for the Maui County hospitals. Gov. David Ige signed the bill into law in June.

Kaiser and Hawaii Pacific have been deemed qualified after a public notice and "invitation for statement of interest and qualification" were publicly advertised, said Wesley Lo, Maui Region chief executive officer of the Hawaii Health Systems

Corp., in June. The HHSC is the quasi-public entity that runs Neighbor Island and rural Oahu public medical facilities.

The companies have until the end of this month to provide more information on their proposals.

Ige has pledged to have an agreement in place by the end of the year.

Last week, the United Public Workers union, which represents about a quarter of the employees at Maui Memorial Medical Center, sued the state to prevent the privatization of the hospitals. In a complaint filed in federal court Thursday, the union alleges that the public-private partnership violates the U.S. Constitution by impairing a contract between the union and the state.

the citizens on Maui, and I do want whatever operator it is, HPH or Kaiser, (to know) that these nurses and physicians and ancillary staff work very hard here, and we have a very great hospital that I'm proud to be a part of," said Susan Sang, a cardiac care unit nurse manager who's worked at Maui Memorial for 22 years.

"When we're being told that we only have a six-month possible job offer, that's kind of daunting because all of us in the unit and in the hospital worked very hard to get to where we are," she said.

Others questioned whether the pension and retirement benefits they've earned as state employees will be honored after the hospital is privatized.

When asked what will happen if neither proposal meets standards set by the Maui Region Board, HHSC Maui Region Board Chairman Avery Chumbley replied: "Plan B is not pretty."

"That would be a very serious situation for us to be in. Plan B is not pretty, Plan B is very ugly. The board would have to go back to its earlier discussion of having to cut \$28 million from our operating budget and looking at 75 or

more reduction of force of employees. It's very ugly, we don't want to go there," he said during a staff meeting at Maui Memorial earlier Tuesday.

A hospital employee asked whether or not the hospital should consider proposals from other health care providers in the nation, such as Arizona-based Banner Health, which had expressed interest in a partnership with the Maui hospital in 2012.

House Bill 1075 limits the scope of possible suitors to Hawaii nonprofits. To expand those parameters, further legislation would need to be passed, administrators said.

While most of the discussion has centered around Maui Memorial, the island's only acute-care hospital, the law opens the two other Maui region hospitals — Kula Hospital and Lanai Community Hospital — to privatization as well.

"We definitely want to be included in the deal," said Dr. Nicole Apoliona, medical director of Kula Hospital and Clinic, a 113-bed long-term care facility. "We are so interdependent with Maui Memorial right now that if we weren't included in the deal and we were left with HHSC, we

wouldn't know where to begin. ... It's essential that Kula and Lanai are both included in the deal."

The Lanai hospital is a critical access hospital with 14 beds.

Both Kaiser and HPH have said in preliminary filings that they are interested in partnering with all three Maui region hospitals.

The United Public Workers union, which represents about a quarter of the Maui region hospitals' 1,500 employees, filed a lawsuit Thursday against the state seeking to bar the public-private partnership.

Lo declined on Tuesday to comment on the pending litigation but said "nothing has stopped."

"We are still proceeding forward (with the partnership) at this time," he said.

Ige said the state attorney general's office "feels good about the state's position" in response to the lawsuit.

"We are working hard to defend the lawsuit, we are working hard to implement the law as drafted by the Legislature," Ige said.

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