THE LEGISLATIVE BIENNION

A reelected Governor, new cabinet appointments, and one of the largest freshman classes in the legislature’s history all helped define this year’s debate over which policies would survive and which would not at the State Capitol. The 2019 session also marked the start of the legislative biennium, or two-year session, which means that a new budget is proposed and bills will be considered by the legislature through the 2020 session. As always, our team at Hawai‘i Public Health Institute (HIPHI) tracked hundreds of bills that impact the health and well-being of our people and ‘aina.

Our third edition of the Legislative Recap covers a range of health and health-related bills, including legislation that did not receive media attention. We also include a spotlight on the state budget and how priorities in the public health legislative agenda, prepared by HIPHI, fared. The agenda was presented to lawmakers in January.

We hope that you find this piece helpful and that it inspires you to be an engaged, active participant in the legislative process.
The president’s efforts to dismantle the Affordable Care Act (ACA) have led to health insurance premiums rising an average of 34 percent in 2018 and have kept healthcare as the top issue for voters in the recent 2018 election and the upcoming 2020 election.

Voters have every reason to be concerned. By 2026, the Department of Commerce and Consumer Affairs projections show Hawai’i annual premiums skyrocketing to $14,000 per person and $42,500 for a family of four, effectively making healthcare out of reach for many.

The president isn’t helping. Here’s a quick look at 10 times Trump has attacked healthcare and public health in America.
Trump signs executive order to scale back the ACA

Trump-backed proposals are introduced in Congress to repeal ACA

Trump stops reimbursing insurers for low-income deductible and co-pay waivers

Trump’s “zero tolerance” policy targets immigrants seeking care in hospitals

Trump’s government shutdown also shuts down a number of health services

Trump allows states to impose work requirements on Medicaid eligibility

Trump’s “domestic gag rule” blocks family planning orgs from receiving federal funds

Trump’s 2020 proposed budget drastically cuts Medicare and Medicaid

Trump admin’s new rules allow providers to refuse care based on religious beliefs
HAWAIʻI LAWMAKERS TAKE STEPS TO IMPROVE ITS REPUTATION AS THE “STATE THAT DOESN’T VOTE”

Following the 2018 state and local elections, lawmakers this session focused on several bills to reform Hawaii’s election system.

Despite the 2018 U.S. midterm election voter turnout reaching record-setting numbers, Hawaiʻi continues to rank last with the lowest voter turnout in the country.

Only 39 percent of eligible voters in Hawaiʻi participated in the 2018 November elections compared to 50 percent of voters that cast ballots nationwide.
A couple of election reform bills passed this session. HB 1248 enacts all-mail voting statewide. Oregon, Washington, and Colorado already hold all-mail elections and these states surpass the national voter turnout average. SB 216 requires automatic recounts for close elections, a response to narrow victory margins from the Senate Ewa and East Honolulu City Council races.

Several bills, however, did not pass. Automatic voter registration for those applying for driver’s licenses or state IDs, ranked choice voting in the primary elections, increasing campaign finance violations, and requiring candidates for president, governor, or mayor to disclose tax returns all failed to gain traction.

*Based on 1,057,000 eligible voters in Hawai‘i ages 18+, U.S. Census Bureau, Nov 2018*
KEY HAWAI‘I CABINET APPOINTMENTS
Governor Ige’s second term brings in new appointments to lead some of Hawaii’s health-serving agencies

Department of the Attorney General, Clare Connors
Appointed by Gov. Ige in January, Clare Connors replaces Russell Suzuki who had temporarily filled the role. In addition to its role as the chief law officer of the state, the department administers the state’s child support enforcement program, investigates Medicaid, tax, and social services fraud, and oversees programs on drug abatement, missing children, tobacco enforcement, and internet crimes against children.

Department of Commerce and Consumer Affairs, Catherine Awakuni Colón
Most of the DCCA's functions involve the regulation and licensing of businesses and public services for consumer protection. One of its divisions plays a big role in reviewing and approving insurance rates set by health plans. The division has sounded the alarm on rising healthcare costs and that insurance will soon be out of reach for Hawaii’s families.

Department of Health, Bruce Anderson
Bruce Anderson succeeds Virginia “Ginny” Pressler as the state health director. The department oversees 17 divisions to protect and improve the health and environment for all people in Hawai‘i. The director has shared that his top concerns include increases in e-cigarette use by our youth, climate change and its impacts on public health, and the need for more mental health services in our communities.
Department of Human Services, Pankaj Bhanot
Pankaj Bhanot has spent over 20 years working for the agency and has served as director since 2016. The department has adopted the framework of ‘Ohana Nui, which approaches the needs of the entire family for better care. The agency also facilitates social services and benefit assistance to help low-income residents with food, shelter, and child care. DHS also runs Med-Quest, the state’s Medicaid program, which serves a quarter of Hawaii’s population.

Department of Public Safety, Nolan Espinda
Despite his nomination being rejected by the Senate Committee on Public Safety, Intergovernmental, and Military Affairs, the full Senate ultimately voted to reconfirm Nolan Espinda. The embattled director promises to address reforms relating to inmate safety, severe overcrowding in jails, and mismanagement within the department.

Department of Transportation, Jade Butay
In addition to its vast infrastructure projects, the department develops and enacts plans that involve traffic and pedestrian safety to ensure that all Hawaii’s road users arrive safely at their destinations.
Entering his second term, Governor David Ige presented his Executive Budget Request to the House and Senate leadership in December 2018, highlighting priority funding for our schools, housing, health and human services. Despite a $750 million revenue surplus, the Governor remains concerned that State spending in future years is projected to exceed revenues. This is primarily due to rising fixed costs for debt service, pension and retirement benefits, and Medicaid payments.

To the right is a breakdown of Hawaii’s healthcare and health funding for FY 2020, based on our analysis of the different budget worksheets passed by the legislature.

Source: HB 2, CD 1; HB 116, SD 1
**THE BUDGET: WHAT MADE THE CUT & WHAT DIDN’T**

Our analysis of what made the cut and what didn’t based on the 821 House and Senate bills with general fund appropriations.

<table>
<thead>
<tr>
<th>FUNDED</th>
<th>NOT FUNDED</th>
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<tr>
<td>$100,000 contract for legal assistance with petitions for assisted community treatment</td>
<td>$5.4M for Waianae Coast Comprehensive Health Center’s Nanakuli school-based health center and a 24-hour emergency room</td>
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<tr>
<td>$200,000 for palliative care pilot programs</td>
<td>$3M for the establishment of a full-time catheterization laboratory at Hilo Medical Center</td>
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<tr>
<td>$110,000 for one full-time state telehealth and health care access coordinator position within the department of health</td>
<td>$3.1M for the department of health's aging and disability resource center</td>
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<tr>
<td>$59,616 for one full-time Alzheimer's disease and related dementia services coordinator within the executive office on aging</td>
<td>$3.5M for healthy start child abuse prevention services</td>
</tr>
<tr>
<td>$1.5M for implementation of the kupuna caregivers program</td>
<td>$600,000 for operation of a shelter focused on services and treatment for those with severe mental illness</td>
</tr>
<tr>
<td>$4,145,695 for the kupuna care program</td>
<td>$500,000 to study the impact and feasibility of creating a teaching hospital on west Hawai’i island</td>
</tr>
<tr>
<td>$22.5M for Maui Health System operations</td>
<td>$1M to provide drug treatment to high-risk communities, including treatment for polydrug abuse</td>
</tr>
<tr>
<td>$350,000 to study the cause for the high incidence of liver and bile duct cancer in Hawai’i</td>
<td>$350,000 for the health care provider loan repayment program</td>
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<tr>
<td>$150,000 for youth suicide early intervention, prevention, and education initiatives</td>
<td>$5M for initial funding to restore adult dental benefits to Medicaid enrollees</td>
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<tr>
<td>$550,000 for the healthy aging partnership program</td>
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The 2019 session was the first year of the legislative biennium, a two-year schedule that allows any bills that did not pass in 2019 to be carried over and picked up in the 2020 session. This year, more than 3,000 bills were introduced but less than 10 percent were enrolled to the Governor to be signed into law.

The legislature considered 386 bills that were referred to a health committee in the House or Senate, with 13.7 percent of those bills passing the legislature. This would be the Health Committee in the House and the Commerce, Consumer Protection and Health Committee in the Senate. As this Senate committee considers topics beyond health, any bills not specific to health were not included in our tallies.
13.7% PASSAGE RATE ON HEALTH LEGISLATION

**ALL BILLS**
- Bills Introduced: 3,142
- Bills Passed: 303 (9.6%)

**HEALTH BILLS**
- Health Bills Introduced: 386
- Health Bills Passed: 53 (13.7%)
Social Services. Policies related to services and benefits provided by government to vulnerable populations. Some examples include healthcare, food, and housing.

Insurance Coverage & Healthcare Costs. Policies related to health insurance benefits, reimbursements, coverage for particular conditions and medications, and managing the cost of healthcare.

Mental Health & Substance Abuse. Policies related to mental health care and services and substance abuse prevention and treatment.

Population & Public Health. Policies related to the prevention, protection, and improvement of the health of the community as a whole.

Healthcare Facilities & Workforce. Policies related to healthcare facilities, workers, and workforce development and education.

Other. Notable topics in this category include medical cannabis edibles and workers' compensation.
WHAT HAPPENED TO HEALTH POLICY AT THE LEGISLATURE?

As the first year in the biennium, bills that did not pass the legislature can still be considered in the following legislative session.

These bills will continue through the legislative process from where they left off in the previous session. Passage of these carry-over bills is unlikely, but not impossible. In 2018, only 18 (0.7%) carry-over bills secured passage.
After the 2018 legislative session, two working groups were convened to tackle issues with medical cannabis laws. Some of the recommendations from the working groups considered by the legislature include:

**SB 527 (FAILED)** would have created a working group to recommend policy on edible cannabis products, including regulations and standards for manufacturing, universal symbols to indicate cannabis content, and quality control.

**SB 1524 (FAILED)** would have prohibited employers from discriminating against medical cannabis patients based on their status as a patient or testing positive for cannabis on a drug test.

**HB 1534 (FAILED)** would have allowed for reimbursement of out-of-pocket medical cannabis expenses through workers’ compensation.

Other bills relating to marijuana focused on decriminalization and legalization. **HB 1383 (PASSED)** decriminalizes the possession of three grams or less of marijuana from a criminal penalty into a civil (financial) penalty, removes the criminal records for past offenses of three grams or less of marijuana (assuming there were no additional criminal charges), and creates a marijuana evaluation task force to make recommendations on amending marijuana use penalties and outcomes in Hawai‘i. Supporters hoped the bill would decrease the burden of these small offenses on the criminal justice system, though some called on legislators to increase the amount of marijuana decriminalized or to go further and fully legalize it for personal use. Opponents raised concerns about conflicts with federal law and increases in drugged driving and youth use.

**SB 686 (FAILED)** would have legalized small amounts of marijuana for recreational use by adults ages 21 and over. An amendment from the Senate would have also imposed a 15 percent excise tax on non-medical marijuana sales and appropriated 30 percent of the revenue for substance abuse prevention and education.
SB 772 (PASSED) repeals tap handle labelling requirements for draft beer and amends beer “stacking” laws to allow the serving of up to 32 ounces of beer (intended to allow for sample flights of beer). In some counties, stacking, when more than one drink is served, is limited by the number of glasses instead of total volume served. Concerns were raised that this could potentially encourage excessive drinking.

HB 887 (FAILED) would have lowered the tax rate on premade cocktails containing hard liquor such as beer and spirit cooler beverages. Supporters contended that Hawai‘i has one of the highest alcohol tax rates in the nation and that this measure would support local business. Opponents argued cooler drinks are usually fruit-flavored and appealing to youth and that there is no public health reason to lower alcohol taxes which are proven to deter use, especially for price-sensitive youth.

SB 641 (FAILED) would have expanded impaired driving laws to keep up with an evolving drug landscape, including other substances that are legal but can affect a driver’s ability to operate a vehicle.

HB 1272 (PASSED) allows pharmacies to take back medications for disposal, giving people more options to safely get rid of unwanted and unused drugs. Safe disposal is necessary to prevent prescription drug misuse and protect the environment from contamination.
LEGISLATION: TOBACCO & VAPING

Recent national and statewide reports on the youth vaping epidemic led to several bills being introduced to regulate vaping and prevent youth use.

**SB 1009 (FAILED)** tried to reduce the appeal of vaping to youth by making it illegal to sell flavored tobacco products in the state. Original versions of the bill included the flavor menthol, the only flavor allowed in cigarettes, but later drafts exempted it due to concerns about the loss of tobacco tax revenue and its impact on services dependent on it for funding.

Another bill, **SB 1405**, attempted to regulate e-cigarettes as tobacco products through taxation, licensing, permitting, and restricting online sales. Ultimately, **SB 1405 (PASSED)** did pass, but in a very different form than what was introduced. The final bill requires teachers and educators to confiscate e-cigarettes from underage youth, increases the penalty for youth possession of tobacco products to $100, and creates a Safe Harbor program within the Department of Health for youth to dispose of e-cigarettes without penalty.

While much of the attention was on vaping and e-cigarettes, other measures focused on reducing cigarette smoking. **SB 887 (FAILED)** attempted to raise the cigarette tax to $4.20 per pack. Taxation is a proven strategy that reduces smoking rates.

**HB 1509 (FAILED)** would have gone further by progressively raising the minimum age to purchase cigarettes, raising it to age 100 by 2024, essentially banning the product by making it illegal for most people to purchase it.
Youth advocates rallied at the State Capitol in support of ending the sale of flavored tobacco and vape products, including menthol.
LEGISLATION: KUPUNA CARE

HB 465 (PASSED) allocates $8.3 million towards the Kupuna Care program. With the funding in the base budget, HB 2 (PASSED), the total funding for the program is $18 million for the next two years. In comparison, the legislature allocated just $3.8 million for the Kupuna Care program in 2018. This vital program funds home and community-based support services to help older adults maintain their independence at home, such as adult day care, transportation, and personal care.

The Kupuna Caregivers program, different from the Kupuna Care program, helps working caregivers to stay in the workforce by covering services that would otherwise be performed by the caregiver. SB 1025 (PASSED) provided $1.5 million to the program and changed the allowance from a maximum of $70 per day to $210 per week, allowing for more flexibility in how the funds are used. The bill also requires the Executive Office on Aging to develop a plan to maximize the number of people served by the program, as demand far outpaces supply.

HB 582 (FAILED) proposed several changes on the regulation of care facilities for elderly and individuals with disabilities. Proposed changes included making adult day care facilities subject to the same requirements as residential care homes, requiring inspection reports and vacancies in care facilities to be posted online, and creating a task force to address the low compensation and insurance reimbursements of caregivers working at these facilities.
**LEGISLATION: KEIKI CARE**

**SB 1515 (FAILED)** would have increased access to after-school programs by establishing the Hawai‘i 3-6 out-of-school program for students in grades K-12. After-school programs, including those that occur on weekends and during school breaks, are beneficial for a child’s social, emotional, and academic well-being and can prevent them from engaging in risky behaviors.

**HB 330 (PASSED)** allocates $150,000 for youth suicide early intervention, prevention, and education initiatives statewide. Earlier versions of the bill focused on neighbor islands, which have higher rates of youth suicide attempts than O‘ahu.

**HB 18 (FAILED)** would have removed the statute of limitations for child sex abuse victims. Under current law, a lawsuit must be brought by age 26. Supporters say this prevents victims from being able to seek justice, as many do not disclose their abuse until after age 26.

**HB 386 (FAILED)** would have created the “Erin’s Law” task force to develop a sexual violence prevention education program for schools, which would eventually be implemented in Department of Education schools.
LEGISLATION: HEALTHY EATING + ACTIVE LIVING

SB 549 (PASSED) makes the default beverage option for children’s meals one without added sugars, such as water, milk, or 100% fruit juice. This bill will support parents by making the healthy choice the easy choice.

SB 390 (PASSED) appropriates $100,000 for a “Double Up Food Bucks” program, which incentivizes the purchase of fresh, locally grown produce for Supplemental Nutrition Assistance Program recipients. Participating retailers offer a dollar-for-dollar match on qualifying purchases, making healthy foods more affordable while also keeping money in the local economy and supporting farmers.

SB 762 (FAILED) would have created a preschool through post-secondary (P-20) Agriculture Education Coordinator at the University of Hawai‘i. This position would strengthen local agriculture by infusing agriculture education into teacher development programs at all levels.

SB 876 (FAILED) would have required all public elementary and middle schools in Hawai‘i County to participate in the Safe Routes to School program, which works to make it safer for kids to walk and bike to school.
LEGISLATION: PUBLIC SAFETY

GUN SAFETY
Under current state law, police are able to remove guns from people with restraining orders that the court deems to be a potential danger. SB 1466 (PASSED) goes further by allowing concerned individuals to petition for a one-year temporary removal of firearms, which the courts would approve or deny based on evidence. Supporters hope that these protection orders will help to prevent gun violence, while opponents seek to protect their second amendment rights, arguing that current laws are sufficient and should be enforced instead.

INFECTIOUS DISEASES
HB 146 (FAILED) would have funded a public health veterinarian within the Department of Health. A public health veterinarian’s expertise would be helpful to address diseases that can be spread from animals to humans, such as rat lungworm disease or avian flu.

HB 576 (FAILED) aimed to clarify current state law that prohibits the excessive feeding of feral birds, defined as more than twenty five birds within a 25-foot radius. It also would have established a feral bird control task force to develop a plan for enforcement.

TRAFFIC SAFETY
Tired of the constant news of traffic injuries and fatalities, one of the major movements in traffic safety is “Vision Zero,” which aims to prevent and eliminate traffic fatalities through engineering, enforcement, education, and emergency response strategies that focus on equity.

HB 757 (PASSED) requires that state and county departments of transportation adopt and develop an action plan to implement Vision Zero policies. Some topics to be addressed include reducing driving speeds and increasing safety for pedestrians, bikers, and drivers.

SB 663 (PASSED) establishes a committee to study and make recommendations for county programs to deter red light running. The bill originally appropriated funds for the counties to establish red light camera programs, as well as a committee to evaluate the program.
LEGISLATION: ENVIRONMENTAL HEALTH

CLIMATE CHANGE
In 2015, Hawai‘i made a bold commitment to clean energy by pledging to use 100 percent renewable energy by 2045. Some of the bills the legislature considered would have helped to decrease the state’s dependence on fossil fuels and incentivize renewable energy.

HB 1584 (FAILED) would have funded a study on a statewide carbon tax, which would be a tax on fossil fuels based on the amount of carbon emissions they create. A carbon tax is considered one of the most effective strategies to reduce carbon emissions though financial incentives, though a study is needed to ensure that the tax does not disproportionately affect low-income residents.

HB 563 (FAILED) would have ended the use of coal for electricity production by 2023 by prohibiting new or modified permits for coal-burning facilities. The current permit for Hawai‘i’s only coal-burning power plant is set to expire in 2022.

PESTICIDES
HB 929 (FAILED) would have required warning notices for first-time pesticide use violators and increased penalties for pesticide infractions to ensure enforcement of current laws and deter violations.
LEGISLATION: MENTAL HEALTH

In 2013, the legislature created the Assisted Community Treatment (ACT) program. ACT allows for court-ordered treatment of people with serious mental illness, as some people with serious mental illness cannot recognize that they are sick and need help. However, few people have been treated through the program due to concerns of violating their civil rights if they refuse treatment. According to the Supreme Court, mentally ill individuals cannot be forced to undergo treatment unless they are an imminent danger to themselves or others.

**SB 1124 (PASSED)** allows any interested party to file the ACT petition and requires a qualified medical professional to assess if an individual being discharged from a psychiatric facility qualifies for an ACT plan and to make arrangements if needed. It also clarifies that the definition of “dangerous to self” includes the inability to treat one’s own mental illness if it may lead to serious injury or death.

**SB 1465 (FAILED)** would have required health insurance to cover certain expenses related to ACT hearings and petitions, as it is often expensive for families or community organizations to hire psychiatric professionals needed to prepare and file petitions. **SB 567 (PASSED)** appropriates $100,000 to the Department of Health to contract for legal services to assist with ACT petitions in the hopes that this will help to increase the number of successful petitions.

Hawai’i State Hospital is the only hospital in the state dedicated to serving adults with serious mental illness, but currently only offers inpatient services for forensic patients who have been committed due to a criminal court order. **HB 1597 (FAILED)** would have funded the planning and design of a long-term care facility for inpatient and outpatient mental health services for patients.

Under current law, minors 14 and older may consent to their own mental health treatment. **SB 768 (FAILED)** would have expanded on this law by prohibiting health plans from disclosing service and payment information to the minor’s parent or guardian if services were received without their consent.
LEGISLATION: HOUSING + HOMELESSNESS

For the third year in a row, Hawaii’s Point-in-Time Count, which counts the number of homeless individuals living in a community on a single day, indicated a one percent overall decrease in the number of homeless in the state. Despite these improvements, Hawai‘i continues to have one of the highest rates of homeless individuals per capita in the nation.

SB 471 (PASSED) appropriates $10.8 million over the next two years for programs that help people out of homelessness, including Housing First, Rapid Rehousing, Family Assessment Centers and some legal services. The bill also included $3 million for stored property and debris removal services. Although it is short of the $16.5 million requested by advocates, the current appropriation is sufficient to maintain current services and the legislature committed to funding these programs for the biennium, ensuring their long-term stability.

SB 1031 (FAILED) proposed pilot programs for short-term rental assistance for families and long-term rental assistance for kupuna.

HB 257 (PASSED) amends the current Ohana Zones pilot program to allow the use of private lands (previously only public lands with existing infrastructure were eligible), extends the sunset dates for the pilot to June 2023 and provides $2 million for the construction of Ohana Zones. In addition it extends the sunset date to June 2020 for two other pilot programs that aim to reduce the medical costs of treating homeless individuals. The programs are the Emergency Department Homelessness Assessment pilot, which aims to reduce the costs of chronic overuse of emergency departments by homeless individuals and the Medical Respite pilot, which provides services after they are discharged from the hospital.
LEGISLATION: AFFORDABLE HOUSING

Inspired by Singapore’s government-run housing, Senator Stanley Chang proposed the Affordable, Locally-Owned Homes for All (ALOHA) Homes program. With SB 1 (FAILED), the ALOHA Homes program would be run by the Hawai‘i Housing Finance and Development Corporation (HHFDC) to build high-density homes on state-owned lands near transit stations and sell them for 99-year leases. To be eligible, owners would need to be Hawai‘i residents and live in the units (owner-occupied), but there would be no income minimums or caps. The prices would be affordable — a three-bedroom unit would be sold at cost for $300,000. There would be restrictions on selling the units to keep them affordable: either the state would be able to buy them back or be entitled to 75 percent of the sale's profit. HB 820 (PASSED) funds the HHFDC to study and develop a plan to implement the ALOHA homes project.

Another measure that looked to use state lands for affordable housing also failed. SB 1190 (FAILED) would have allowed private developers to build affordable 99-year leasehold condominiums on state land.

HB 1312 (PASSED) appropriates $50 million per year over the next two years for the Rental Housing Revolving Fund, which is the primary source of state funds for the development of affordable housing. Housing advocates were disappointed that it did not include funding for Permanent Supportive Housing, which is affordable housing that includes services to support the chronically homeless or those who have difficulty getting and remaining in housing.

HB 543 (PASSED) focused on affordable housing on Maui. It directs the HHFDC to begin the process of acquiring the Front Street Apartments to maintain the affordability of the units and earmarked an additional $37 million from the Rental Housing Revolving fund for the Leiala‘i affordable housing project.
A 2015 report from the Department of Budget, Economic Development and Tourism estimates that the state will need approximately 65,000 additional units by 2025 to meet the housing demand. In order to meet this demand, legislators looked at creative solutions to address the affordable housing shortage.
LEGISLATION: ECONOMIC JUSTICE

MINIMUM WAGE
A 2016 Self-Sufficiency Income report from Hawaii’s Department of Business, Economic Development and Tourism calculated that a livable wage for a single person with no children and employer-provided health insurance, to meet their basic needs without government assistance, is $17 per hour. Despite support from House and Senate leadership and Governor Ige, legislators failed to come to an agreement on how to raise the minimum wage.

HB 1191 (FAILED) proposed a tiered increase to the minimum wage — $17 per hour for state workers, effective immediately, and $15 per hour by 2023 for all other workers. It also offered qualified small businesses a tax credit to offset increased wages. Proponents of the bill contend that Hawai‘i has the lowest average wage in the country when adjusting for the cost of living and that anything less than $17 per hour was a starvation wage. Opponents cited the high costs of running a business and said the increase would force them to close or raise their prices. They also argued that the minimum wage is meant to be a starting wage for those entering the workforce, while supporters countered that teenagers comprise just 4.5 percent of minimum wage earners.

PAID FAMILY LEAVE
Last year, the legislature passed a bill to authorize a study to determine the best model for a family leave program. Due to various setbacks, HB 32 (PASSED) was needed to extend the deadline for the study to be completed by November 2019, which would allow enough time for the information to be utilized in the 2020 legislative session.
TAX FAIRNESS
Real Estate Investment Trusts (REITs) are corporations that own real estate that earns income, such as shopping malls. People can purchase shares from the REITs to be able to gain a portion of their revenue.

REITs earn approximately $1 billion per year, but Hawaii’s tax laws exempt them from paying corporate taxes on money it pays to its shareholders, which accounts for up to 90 percent of their revenue. If the shareholder lived in Hawai’i, they would be required to pay income taxes on the dividends, but because many live out-of-state, Hawai’i is unable to collect income taxes as well.

SB 301 (PASSED) imposes a 6.2 percent corporate income tax on REITs. Supporters claim it is time for REITs to pay their fair share of taxes to the state, while opponents defended the REITs, saying they invest millions of dollars in Hawai’i and taxing REITs would hurt the state in the long-run.

SB 1292 (PASSED) requires operators of short-term vacation rentals, to pay transient accommodation and general excise taxes, with AirBnB and HomeAway collecting the taxes on behalf of the state.

One provision that was removed from the final version of the bill was the requirement for hosting platforms to provide the physical location of rentals, which would have helped the counties identify illegal rentals and enforce current laws. Supporters focused on the estimated $46 million per year in revenue the tax would generate, while opponents argued that the bill legitimizes illegal vacation rentals. Many were also concerned that it would decrease the already limited housing supply for residents.
LEGISLATION: HEALTHCARE COSTS & INSURANCE

**SB 330 (PASSED)** allows individuals with disabilities to work and earn income without losing their Medicaid benefits, which determines eligibility based on income. This program is sometimes referred to as an earned income disregard program. This bill helps individuals with disabilities from having to make the difficult choice between employment and keeping their Medicaid benefits crucial to their survival. The measure also requires reports to the legislature to evaluate the program and to assess the possibility of implementing a Medicaid buy-in program.

**SB 1010 (FAILED)** would have codified certain conditions, including Fetal Alcohol Spectrum Disorder, as developmental disabilities, making them eligible for developmental disability services.

**HB 469 (FAILED)** would have required health insurers to cover the cost of hearing aids and set a minimum benefit amount.

Limited Medicaid dental coverage for adults does not support whole person care and has resulted in millions of dollars spent annually for emergency room visits for preventable oral health problems. **SB 467 (FAILED)** would have restored basic adult dental benefits to Medicaid enrollees to include preventative services.

**HB 267 (FAILED)** attempted to control costs and increase transparency on prescription drug pricing practices by requiring drug manufacturers to notify insurers and pharmacy benefit managers if the wholesale cost of a drug will increase by 16 percent or more over two years and explain if the increase is due to an improvement or change in the drug.

**SB 1521 (FAILED)** would have moved the regulation of pharmacy benefit managers (PBMs) from DOH to DCCA in an attempt to increase transparency and regulation of PBMs. These third-party administrators are contracted by health plans to manage prescription drug programs and have maximum allowable cost formulas that determine how much a pharmacy is reimbursed. Supporters say stronger regulation is needed, as PBMs are reimbursing pharmacies below the actual cost of the prescription, while opponents claim that PBMs help to control healthcare costs.
Healthcare facilities sometimes face financial losses from the care of under or uninsured patients. In 2012, the state adopted provider fees to help offset losses the facilities incur by using the funds generated by the fee to draw down additional federal funds through Medicaid. The funds are then distributed back to the facilities, based on the amount of uncompensated care they provided.

Sustainability programs, which need to be extended periodically, are crucial for the financial stability of the healthcare facilities as well as continued access to care for vulnerable patients.

**HB 1449 (PASSED)** extends the Nursing Facility Sustainability program to 2021, which helps long-term care facilities remain viable. It also allows for increased fees and appropriates money from the Nursing Facility Sustainability special fund.

**HB 1270 (PASSED)** extends the Hospital Sustainability Program to 2021, which is similar to the Nursing Facility Sustainability program but for acute care facilities.

Palliative care focuses on comfort and increasing quality of life for patients with serious health conditions and their families. **SB 804 (PASSED)** aims to increase palliative care utilization through education and the creation of culturally competent palliative care pilot programs.
LEGISLATION: HEALTHCARE WORKFORCE

HB 221 (FAILED) would have required the Board of Dentistry to adopt rules for the regulation of dental assistants, using certification options based on education level and permitted duties, and report to the legislature. Later versions would have established a tiered approach and framework of minimum qualifications.

SB 1033 (PASSED) establishes mandatory licensing for midwives under the Department of Commerce and Consumer Affairs, but exempts Native Hawaiian healers. It also temporarily exempts birth attendants until 2023 to give them time to develop standards and accountability measures.

SB 819 (FAILED) would have allowed clinical psychologists to prescribe medication, provided that they complete additional training and education requirements. Supporters claimed that this measure would help to increase access to mental health care, while opponents argued that psychologists are not medical doctors and do not have the training necessary to prescribe medications.

HB 1453 (PASSED) establishes a community paramedicine program, which allows paramedics to provide services beyond emergency response and transportation. With this program, emergency medical services personnel are able to be compensated for medical services provided on-site and for transportation to facilities other than emergency departments, such as an urgent care clinic.
At the beginning of the 2019 legislative session, HIPHI and partners compiled a list of priorities for our public health agenda.

Here’s how the priorities that were introduced fared...
Tobacco Control

- **Failed** Prohibit the sale of all flavored tobacco products and vaping liquids, including menthol.
- **Failed** Regulate electronic smoking devices or e-cigarettes by establishing a tax, requiring a tobacco permit and license in order to sell these tobacco products, and online sales restrictions.

Healthy Eating + Active Living

- **Passed** Make the default beverage in children’s meals a healthy one by replacing sugary drinks with water or milk.
- **Passed** Create a nutrition incentive program that doubles the purchasing power of SNAP recipients when purchasing Hawai‘i-grown fresh fruits and vegetables.
- **Failed** Establish and fund a P-20 Agriculture Education Coordinator within UH CTAHR to expand agriculture education to all students in Hawai‘i, from preschool through post-secondary levels.

Alcohol, Substance Use, Mental Health

- **Passed** Improve the Assisted Community Treatment Act to more effectively assist people with severe mental illness.
- **Failed** Identify fetal alcohol spectrum disorders as eligible for Developmental Disabilities services.
- **Failed** Authorize the Department of Education to provide annual training on students’ mental health issues including, but not limited to autism and fetal alcohol spectrum disorders.
Economic Justice & Family Health

- Raise the minimum wage to $17 per hour.  
- Eliminate the state income tax for those living in poverty.
- Establish a family leave insurance program in Hawai’i to provide sixteen weeks of partial wage replacement, based on a sliding scale. (Includes an extended deadline for family leave study.)

Environmental Health

- Increase fines, issue citations, and require annual reporting for pesticide drift and to further protect communities from health impacts due to exposure.
- Eliminate the use of coal in Hawai’i for electricity production by 2023.

Healthcare & Workforce

- Provide matching funds for the Hawai’i State Loan Repayment program for healthcare professionals who work in federally-designated health professional shortage areas.
- Expand funding for Community Health Worker apprenticeship programs across the state.
Housing & Homelessness

- **Passed:** Add $16.5 million to the base budget to provide a stable and secure funding source for proven-effective homelessness programs.
- **Passed:** Appropriate $200 million for low-income housing, with $75 million going toward Permanent Supportive Housing. (Partially funded.)
- **Failed:** Appropriate $2.3 million for new pilot programs such as short-term rental assistance for families and long-term rental assistance for kupuna.

Oral Health

- **Failed:** Re-appropriate funding for adult dental care as a benefit for Medicaid enrollees.

Transportation & Public Safety

- **Failed:** Enable legislation for camera enforcement of speeding violations.
- **Passed:** Enable legislation for camera enforcement of red light violations. (Committee established.)
MISSION
To advance the health and wellness of the people and islands of Hawai‘i.

TO ACHIEVE OUR MISSION, WE...
• Expand understanding of what creates health of people and place, embracing upstream social, cultural and environmental factors.
• Foster partnerships among public health, health care, and other diverse sectors to improve health and wellness.
• Cultivate programs — including education, advocacy, research, capacity building and training — to improve policies, systems, and the environments where people live, learn, work, age, and play.

HIPHI is home to Coalition for a Tobacco-Free Hawai‘i, Hawai‘i Farm to School Hui, Healthy Eating + Active Living (HEAL) county coalitions, and the Obesity Prevention Task Force.

learn more about HIPHI at hiphio.org.