



Hawaii HFMA Conference

April 7, 2023

Hawaii Healthcare in a Post-Pandemic Environment

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President and CEO





HAH and its Membership

- **Started in 1939**
- **Non-profit trade association 501(c)6**
- **Currently, over 170 Members across the continuum of care:**
 - All acute care hospitals in the state
 - All private and public skilled nursing facilities
 - All Medicare-certified home health agencies
 - All hospices
 - Majority of assisted living facilities
 - Type II Adult Residential Care Homes
 - Associate and Affiliate members include educational institutions, case management providers, air and ground ambulances, the Blood Bank of Hawaii, respiratory therapy providers, durable medical equipment suppliers, home infusion/pharmacies, and more.



Healthcare Association of Hawaii

- Advocacy
 - Legislative advocacy
 - Regulatory advocacy
 - Judicial advocacy
 - Community advocacy

National Affiliates

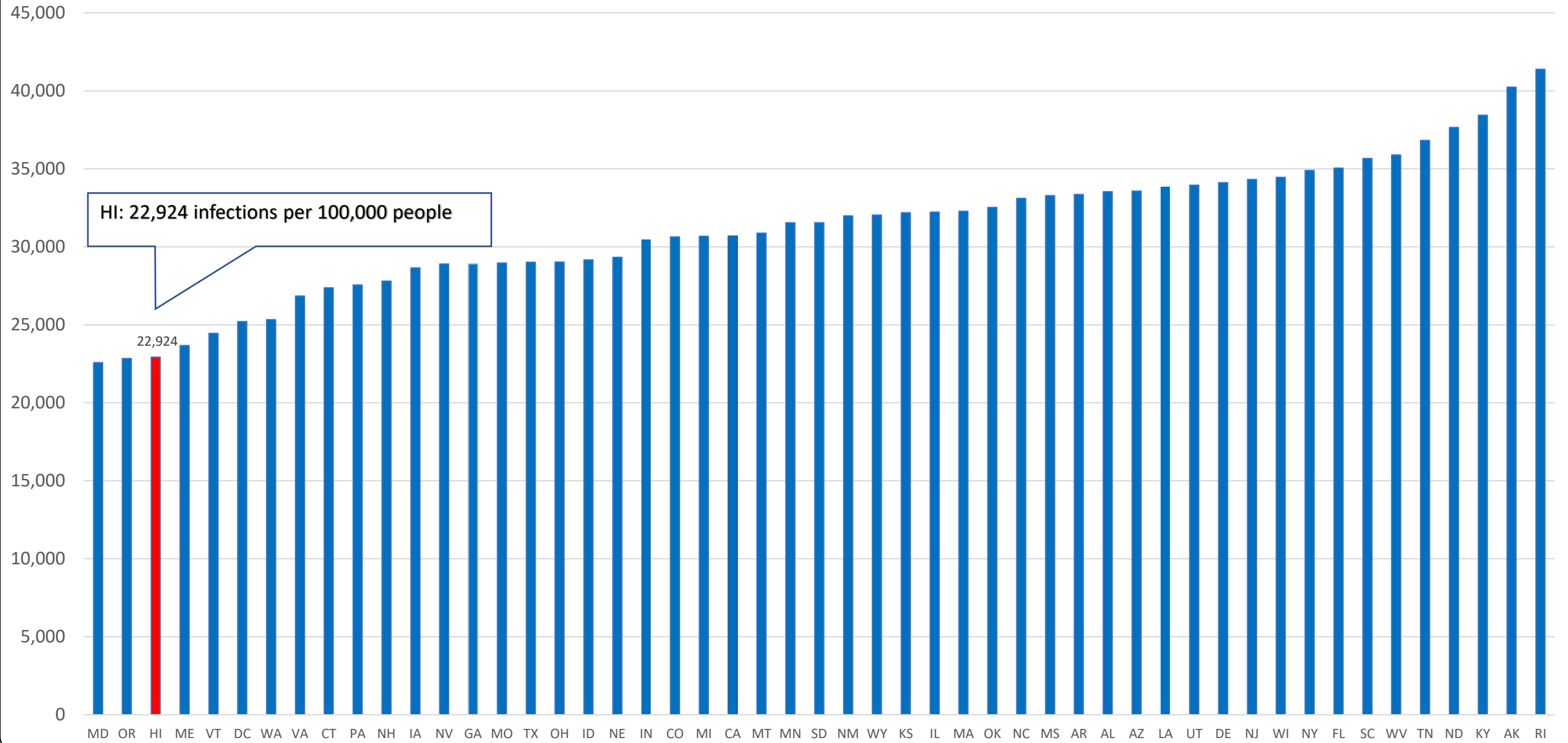


The Pandemic



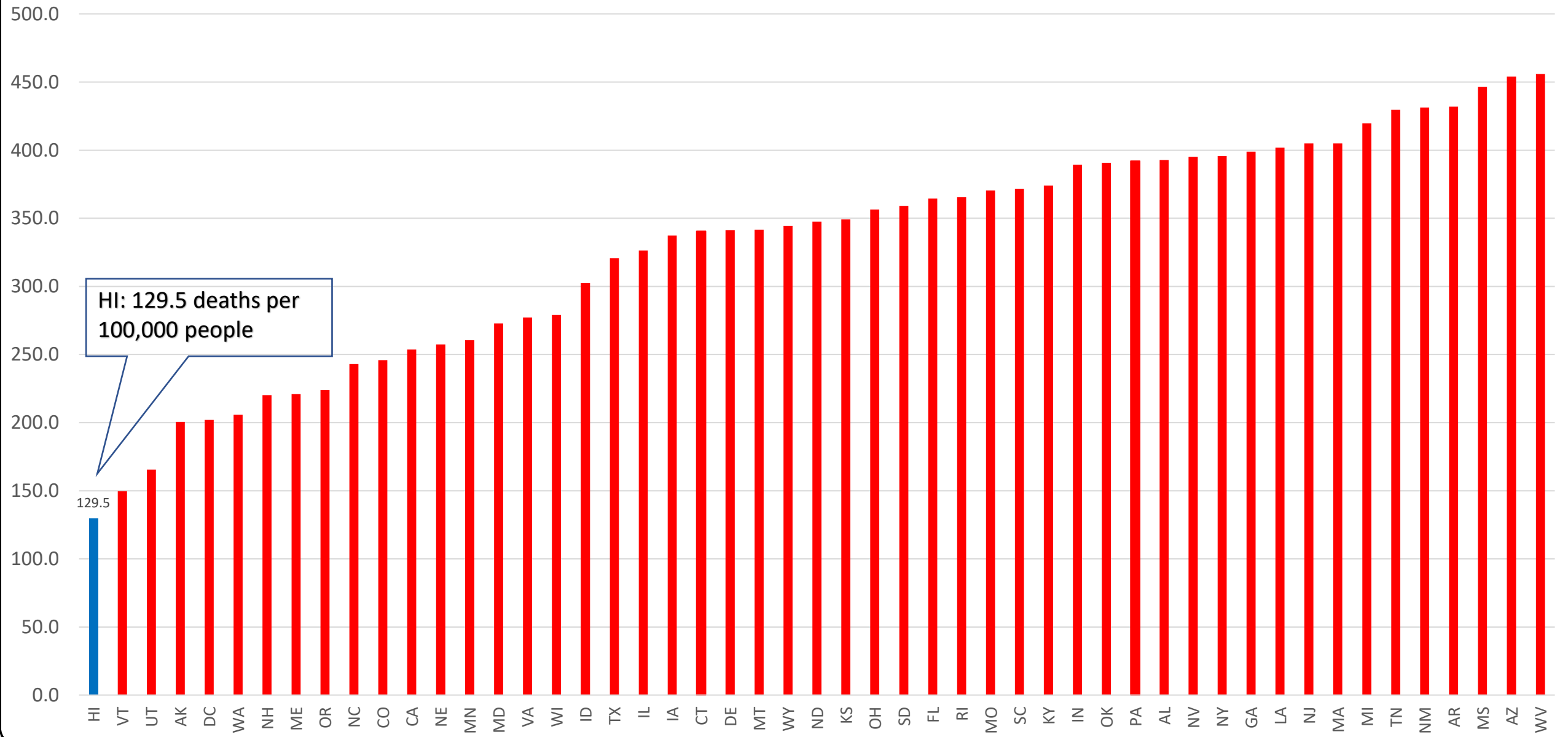
Total Rate of Confirmed Infections by State per 100,000

March 7, 2020 - March 8, 2023



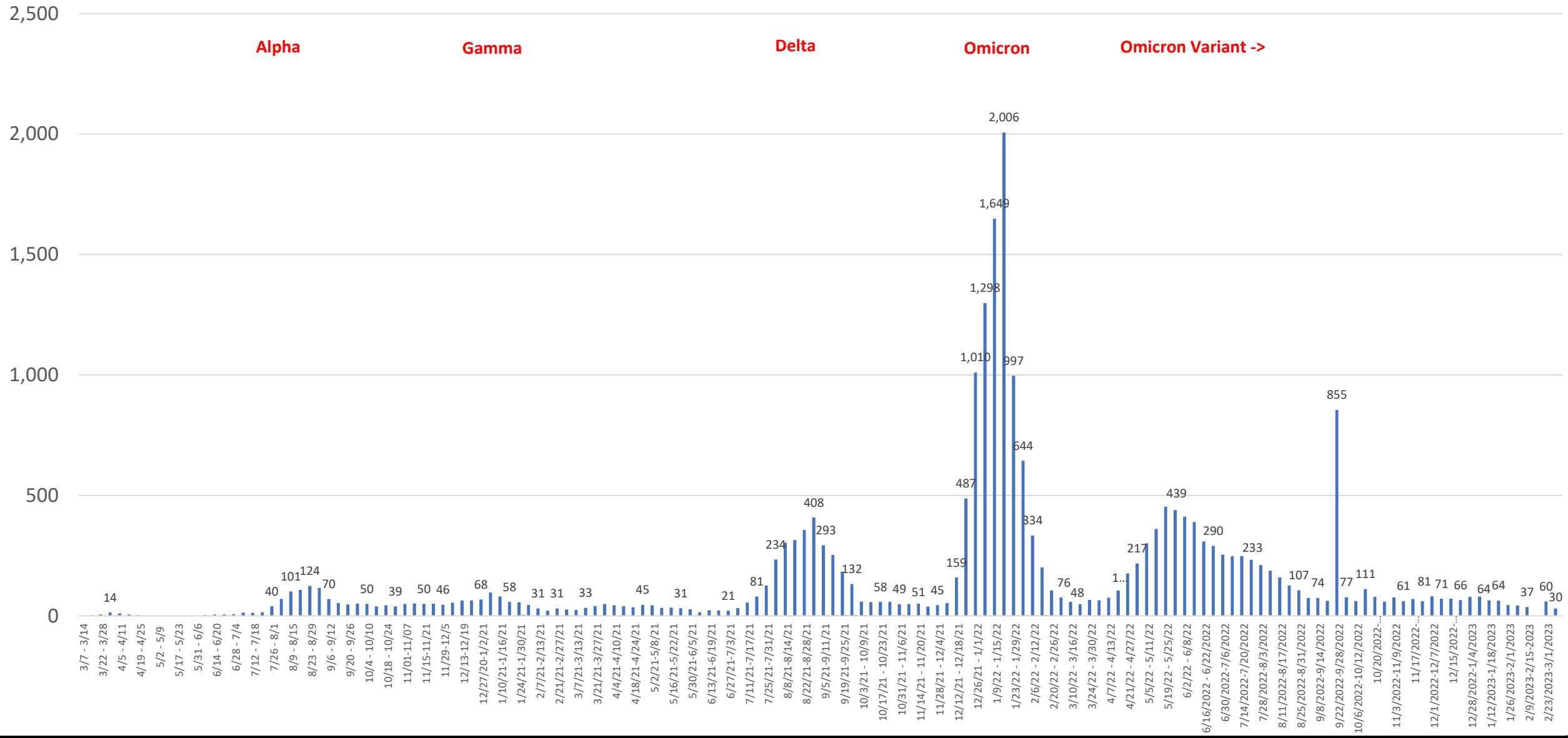
Total State Death Rate per 100,000

March 7, 2020 - March 8, 2023

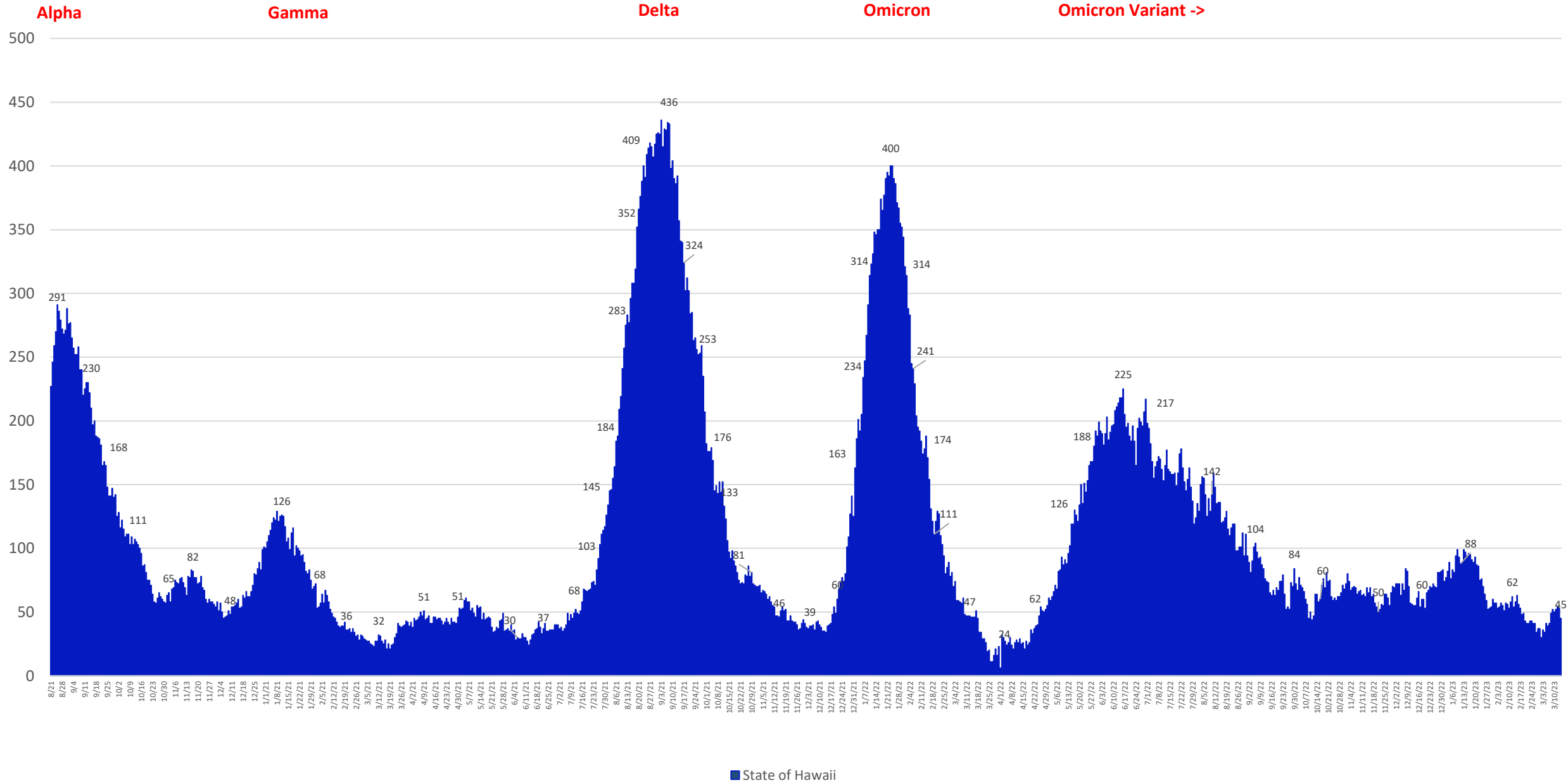


Rate of Confirmed COVID-19 Infections per 100,000 in Hawaii

March 7, 2020 – March 8, 2023



Total Confirmed COVID Patients In-house Per Day in Hawaii



Why Hawaii performed well during pandemic

- Hawaii entered pandemic as one of healthiest states in nation
- Hawaii's climate allows outdoor activity year round
- Geographic isolation – and State Government and County mandates
- Willingness of Hawaii's residents to adhere to public health measures
 - Social distancing
 - Hand washing
 - Mask wearing
 - Vaccinations
- Less political divisiveness
- Safe Travel program
 - Not perfect, but effective nevertheless
- Collaborative healthcare system
- FEMA funding



Pre-Pandemic Trends and Pandemic Impact





Situational Assessment – Hospital Census

| Time Period | Average Daily Census | Increase/Decrease |
|-------------|----------------------|-------------------|
| CY 2019 | 1,970 | |
| CY 2020 | 1,984 | 0.7% |
| CY 2021 | 2,184 | 10.1% |
| CY 2022 | 2,349 | 7.6% |
| CYTD 2023 | 2,478 | 5.5% |

Notes:

- All hospitals including TAMC and HSH
- Excludes normal newborns

- Record census 2,583 (Wed, Nov 16)
- 33 days over 2,500 since Aug 2022

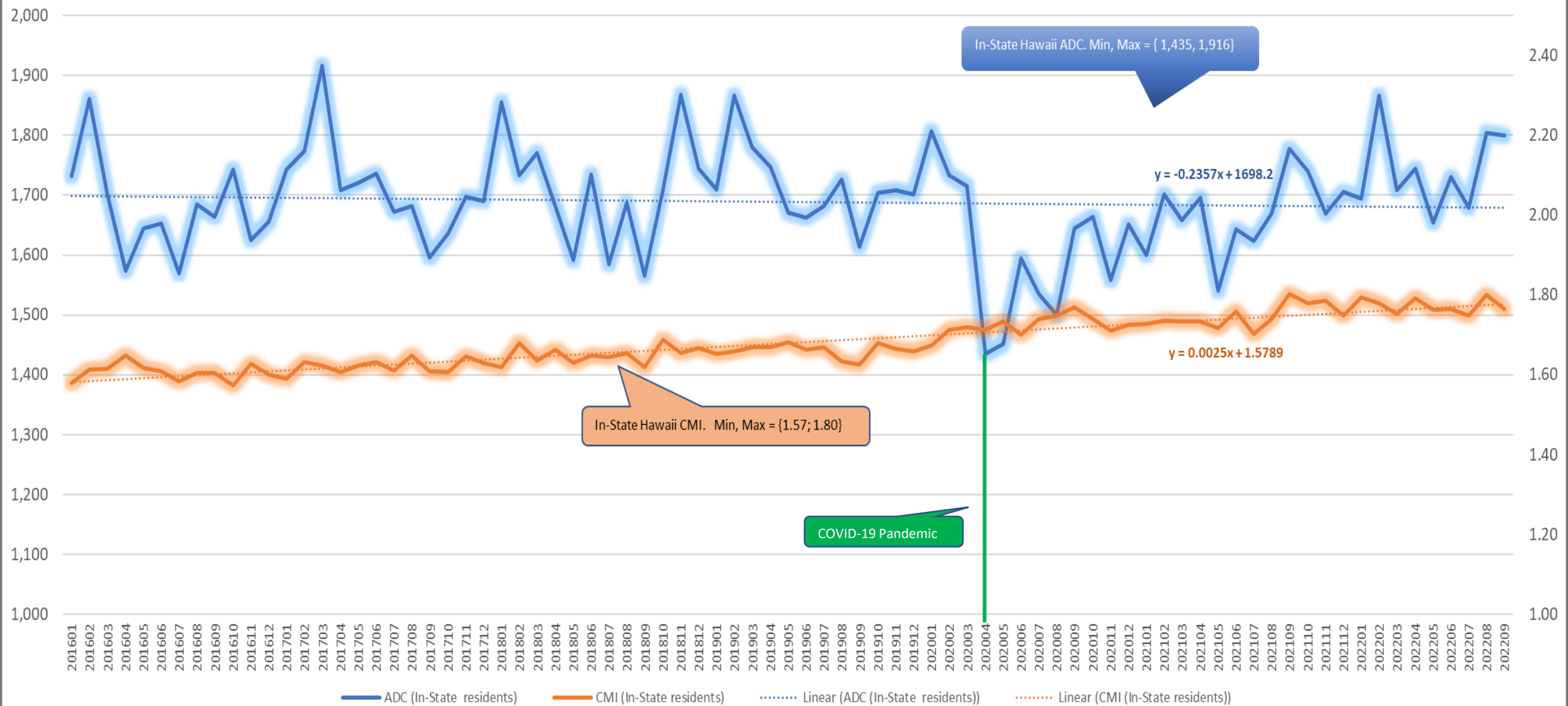
- Peak census for Delta surge 2,365 (Sep 10, 2021) – 404 COVID patients
- Peak census for Omicron surge 2,436 (Jan 21, 2022) – 394 COVID patients

State of Hawaii ADC and CMI

State of Hawaii
Average Daily Census and CMI - CY2016 through Q3-2022
Excluding Well-Babies

ADC - Excluding Well-Babies

Case Mix - Based on In-State residents only.



In-State Hawaii ADC. Min, Max = { 1,435, 1,916 }

In-State Hawaii CMI. Min, Max = {1.57; 1.80}

COVID-19 Pandemic

$y = -0.2357x + 1698.2$

$y = 0.0025x + 1.5789$

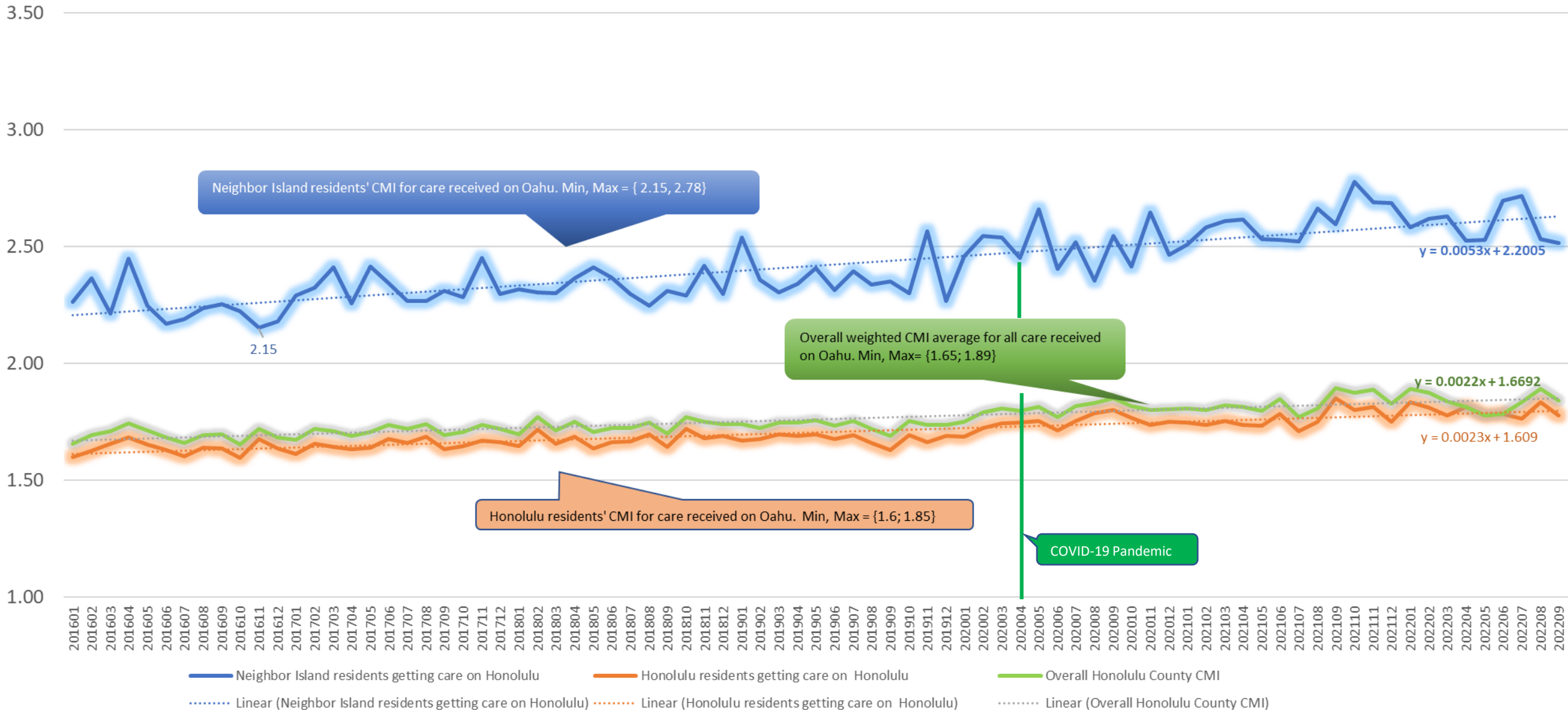
ADC (In-State residents) CMI (In-State residents) Linear (ADC (In-State residents)) Linear (CMI (In-State residents))

Honolulu County CMI

Honolulu County Patients CMI

Blue line= Neighbor Island residents receiving care in Honolulu County
 Orange line= Honolulu County residents receiving care in Honolulu County
 Green line= Overall Honolulu County CMI (Both Honolulu residents and Neighbor Island)

Case Mix - Honolulu patients & Neighbor Island patients based on residential zip



Maui County CMI

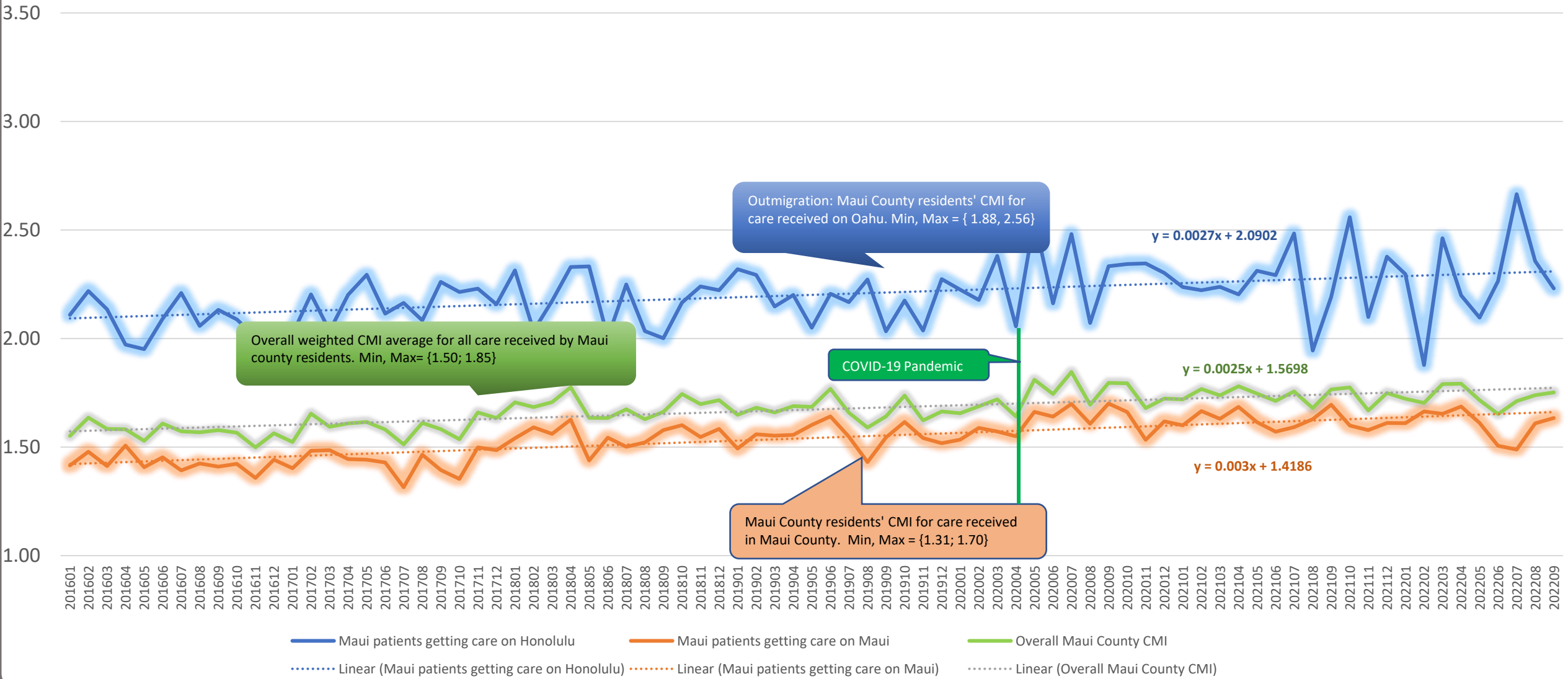
Maui County Patients CMI

Blue line= Maui residents receiving care in Honolulu County

Orange line= Maui residents receiving care in Maui County

Green line= Overall Maui CMI (Maui residents + outmigration to Honolulu County)
Excluding well-babies

Case Mix - Maui County patients based on residential zip

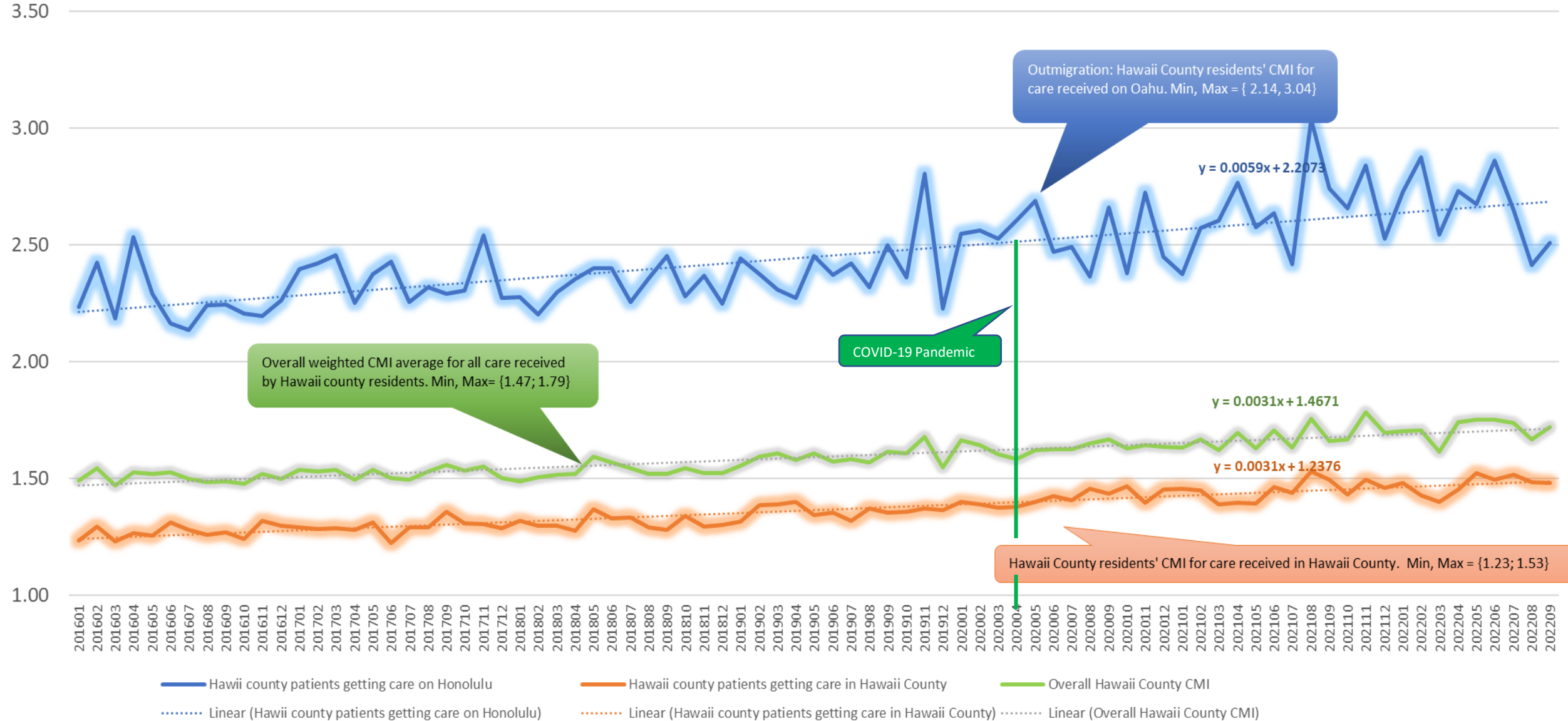


Hawaii County CMI

Case Mix - Hawaii County patients based on residential zip

Hawaii County Patients CMI

Blue line= Hawaii County residents receiving care in Honolulu County
 Orange line= Hawaii County residents receiving care in Hawaii County
 Green line= Overall Hawaii County CMI (Hawaii county residents + outmigration to Honolulu Cou)



Kauai County CMI

Kauai Residents CMI

Blue line= Kauai residents receiving care in Honolulu County

Orange line= Kauai residents receiving care in Kauai County

Green line= Overall Kauai's CMI (Kauai residents + outmigration to Honolulu County)

Excluding well-babies

Case Mix - Kauai County patients based on residential zip

Outmigration: Kauai County residents' CMI for care received on Oahu. Min, Max = { 2.28, 3.69 }

Overall weighted CMI average for all care received by Kauai county residents. Min, Max= {1.46; 1.90}

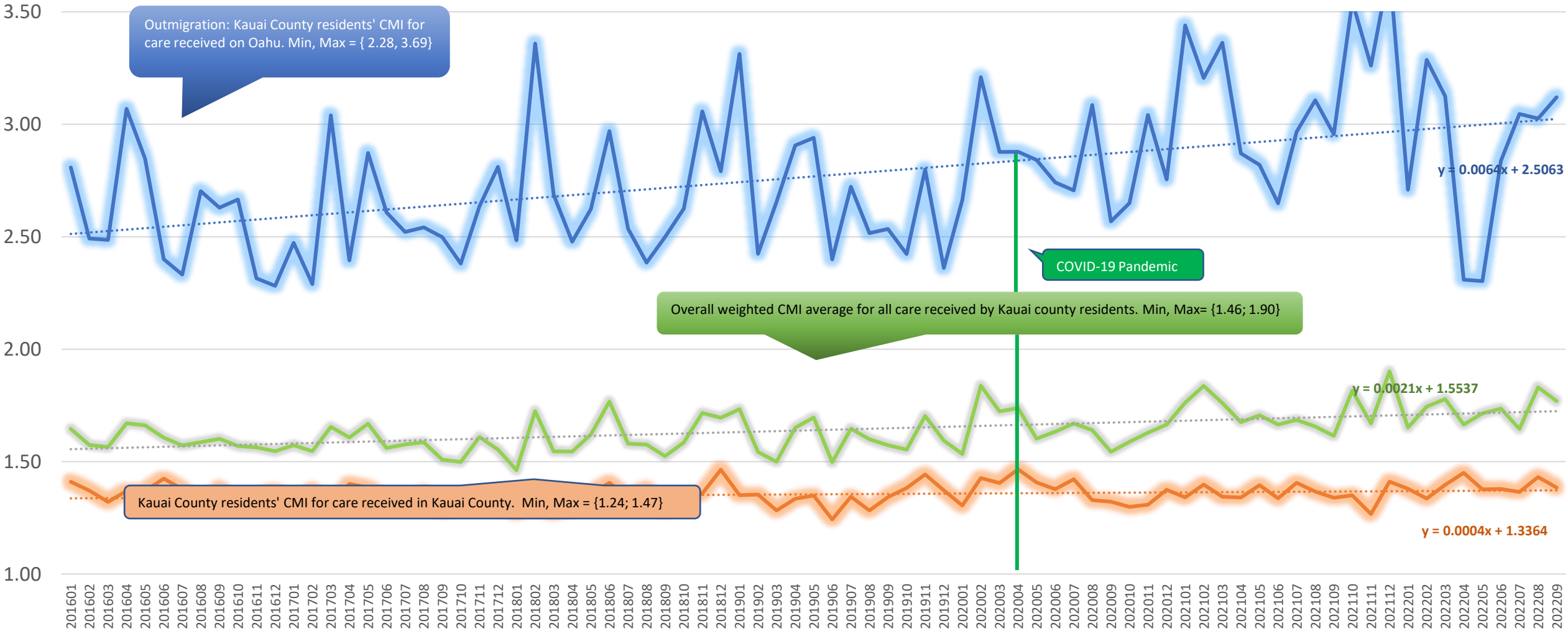
Kauai County residents' CMI for care received in Kauai County. Min, Max = {1.24; 1.47}

COVID-19 Pandemic

$y = 0.0064x + 2.5063$

$y = 0.0021x + 1.5537$

$y = 0.0004x + 1.3364$



- Kauai patients getting care on Honolulu
- Kauai patients getting care on Kauai
- Overall Kauai's CMI
- Linear (Kauai patients getting care on Honolulu)
- Linear (Kauai patients getting care on Kauai)
- Linear (Overall Kauai's CMI)



Healthcare Association
of Hawaii

HAWAI'I HEALTHCARE
WORKFORCE INITIATIVE

2022 REPORT

SPONSORED BY



**THE QUEEN'S
HEALTH SYSTEM**

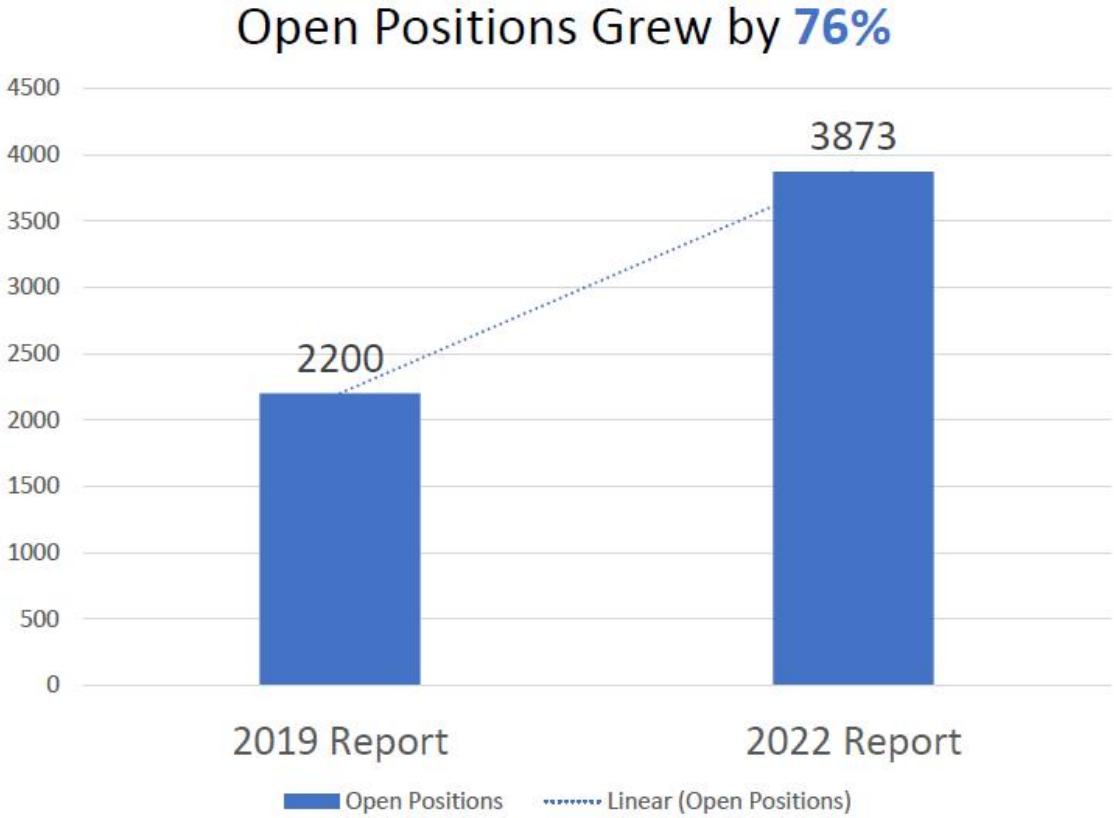
**HAWAI'I
PACIFIC
HEALTH**

KAPI'OLANI
PALI MOMI
STRAUB
WILCOX



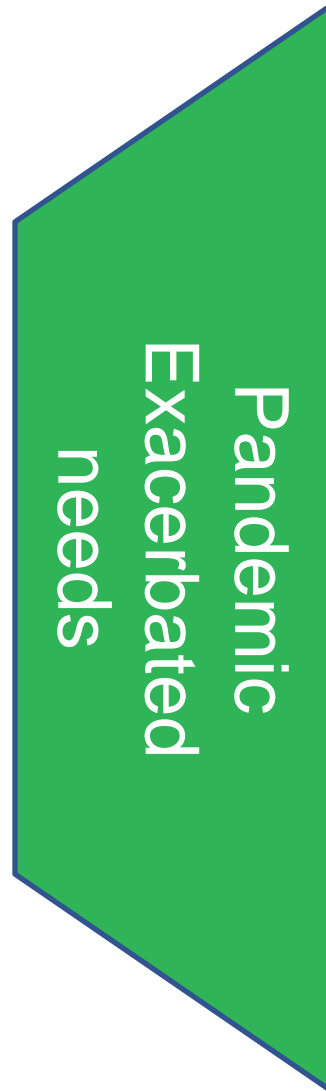
Increase in Openings – Findings from HWI Survey

Report Findings



Increase in Openings for Largest Need Professions

| 2019 HAH Report Priority Professions | Total |
|---------------------------------------|------------|
| RN specialty | 463 |
| Certified Nurse Aide/NA | 417 |
| Medical Assistant | 106 |
| Licensed Practical Nurse | 144 |
| Phlebotomist | 124 |
| Personal Care Assistant | 35 |
| Social Worker | 60 |
| Patient Service Representative | 110 |



| 2022 HAH Report Priority Professions | Total |
|---------------------------------------|------------|
| RN specialty | 999 |
| Certified Nurse Aide/NA | 744 |
| Medical Assistant | 278 |
| Licensed Practical Nurse | 211 |
| Phlebotomist | 128 |
| Personal Care Assistant | 181 |
| Social Worker | 126 |
| Patient Service Representative | 111 |

*BOLD entry-level can be trained at the high school level

Glidepath

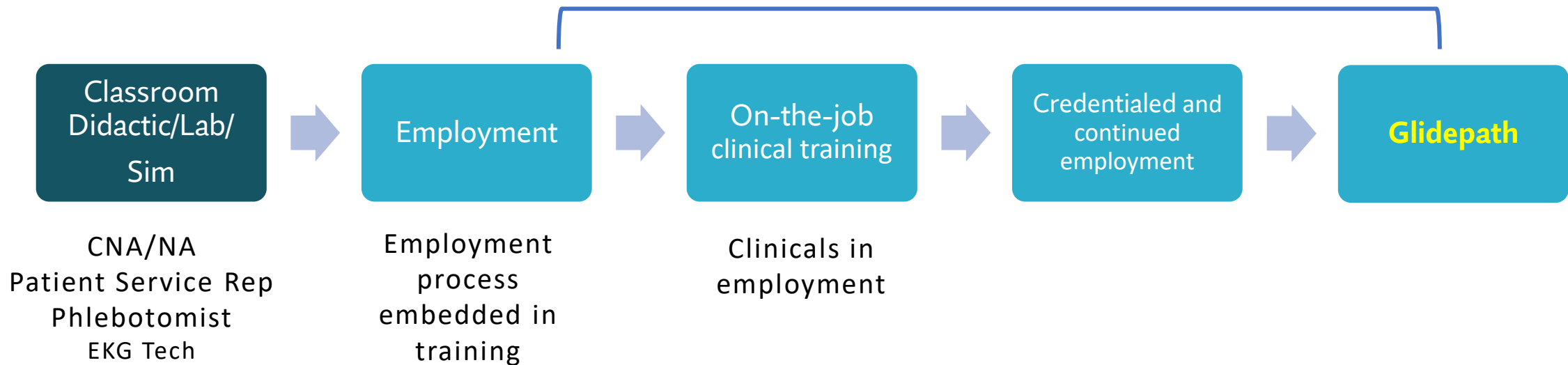
A glidepath is an earn-and-learn pathway allowing working individuals to maintain their jobs while advancing health education credentials. It is a tool that employers utilize to retain their current workforce and attract new entry-level workers. In addition to traditional post-secondary education pathway programs, glidepaths offer a career progression pathway option.



TRADITIONAL ENTRY-LEVEL PROGRAMS



UHCC – HANA/ CITY FUNDS/GOOD JOBS





Healthcare Workforce Development

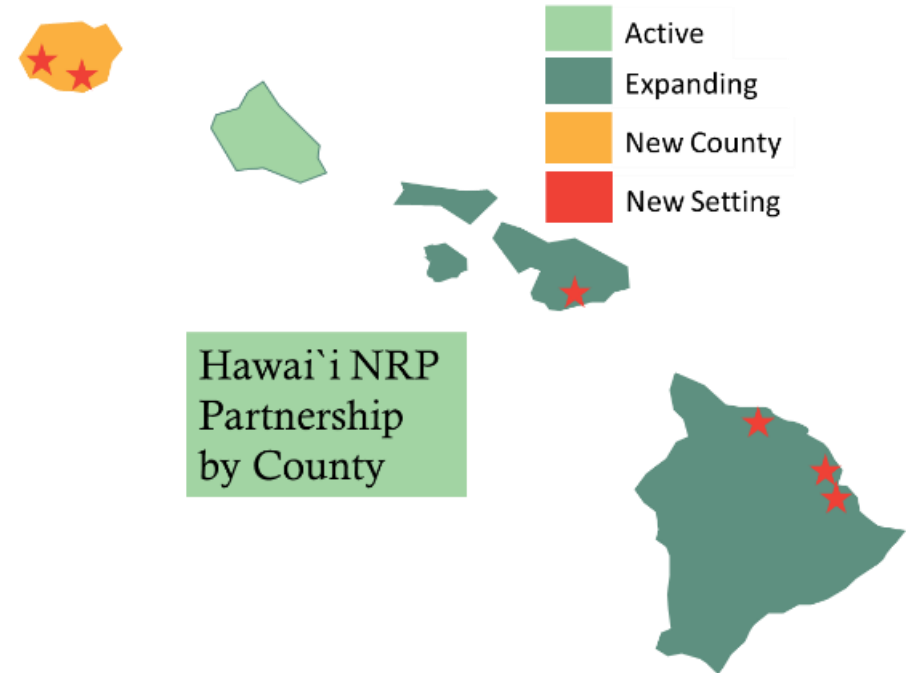
High School Programs

- 113 students in progress
- Career exploration
- Certificate training
- Employment process integration
- DOE Superintendent Keith Hayashi

| Island | High School | Program/Class | Program Status |
|--------|-------------|----------------------------------|----------------|
| Oahu | Farrington | Certified Nurse Aide | In Progress |
| Oahu | Farrington | Patient Service Representative | Summer Start |
| Oahu | Kailua | Phlebotomy | In Progress |
| Oahu | Castle | Certified Nurse Aide | Summer Start |
| Oahu | Wai'anae | Patient Service Representative | In Progress |
| Kauai | Kauai High | Certified Nurse Aide | In Progress |
| Hawaii | Honoka'a | Medical Assistant | In Progress |
| Hawaii | Waiākea | Certified Nurse Aide/ Nurse Aide | In Progress |
| Maui | Maui High | Certified Nurse Aide | In Progress |

Nurse Residency

- 1,569 new graduate nurses
- Healthstream
- 544 started new program in 2021 (53% increase)
- Transition to specialty



More information: <https://www.hawaiicenterfornursing.org/informational-briefs/>



Healthcare Workforce Development

Federal Grant Funding – Good Jobs Hawaii

- 3 years, \$35M (Healthcare largest sector)
- Healthcare lead: 
- Short-term training and job placements
- Native Hawaiian and Pacific Islander (1/3)
- Sheltered cohorts
 - Queens: nursing, high school MA, NA Oahu, Molokai
 - OPH: Kauai, Maui, Oahu, Hawaii Island, CNA+ to LPN, post-acute to acute nursing program



Post-Pandemic Situational Assessment



Impact of Cost-of-Living on Salaries



| Profession | 2021 Actual | | 2021 adjusted for COL | |
|---|-----------------|----------------|-----------------------|----------------|
| | Mean Pay | Rank by State* | Mean Pay | Rank by State* |
| Registered Nurses | \$104,830 | 2 | \$56,482 | 51 |
| Radiologic Technologists and Technicians | \$82,990 | 2 | \$44,714 | 51 |
| Diagnostic Medical Sonographers | \$101,570 | 2 | \$54,725 | 51 |
| Nursing Assistants | \$38,650 | 4 | \$20,824 | 51 |
| Physical Therapist Aides | \$37,600 | 4 | \$20,259 | 51 |
| Pharmacy Technicians | \$42,300 | 6 | \$22,791 | 51 |
| Cardiovascular Technologists and Technicians | \$69,940 | 9 | \$37,683 | 51 |
| Medical Assistants | \$40,530 | 9 | \$21,837 | 51 |
| Clinical Laboratory Technologists and Technicians | \$61,840 | 12 | \$33,319 | 51 |
| Surgical Technologists | \$56,080 | 14 | \$30,216 | 51 |
| Home Health and Personal Care Aides | \$29,030 | 15 | \$15,641 | 51 |
| Licensed Practical and Licensed Vocational Nurses | \$54,160 | 16 | \$29,181 | 51 |
| Physical Therapists | \$91,090 | 18 | \$49,079 | 51 |
| Physician Assistants | \$115,710 | 22 | \$62,344 | 51 |
| Occupational Therapists | \$85,900 | 22 | \$46,282 | 51 |
| Physical Therapist Assistants | \$57,560 | 25 | \$31,013 | 49 |
| Occupational Therapy Assistants | \$60,470 | 31 | \$32,581 | 50 |
| Average | \$66,485 | 13 | \$35,822 | 51 |
| * Includes all 50 states and District of Columbia | | | | |

Impact of Cost-of-Living on Salaries



| Selected Non Healthcare Professions | 2021 Actual | | 2021 adjusted for COL | |
|--|-----------------|----------------|-----------------------|----------------|
| | Mean Pay | Rank by State* | Mean Pay | Rank by State* |
| Facilities Managers | \$98,360 | 23 | \$53,457 | 51 |
| Computer and Information Systems Managers | \$127,180 | 37 | \$69,120 | 51 |
| Financial Managers | \$123,300 | 38 | \$67,011 | 51 |
| Purchasing Managers | \$108,050 | 40 | \$58,723 | 48 |
| Human Resources Managers | \$112,570 | 35 | \$61,179 | 51 |
| Food Service Managers | \$77,450 | 6 | \$42,092 | 49 |
| Human Resources Specialists | \$67,810 | 18 | \$36,853 | 51 |
| Compensation, Benefits, and Job Analysis Specialists | \$63,520 | 36 | \$34,522 | 51 |
| Accountants and Auditors | \$69,950 | 46 | \$38,016 | 51 |
| Computer Systems Analysts | \$88,660 | 36 | \$48,185 | 50 |
| Information Security Analysts | \$119,540 | 10 | \$64,967 | 49 |
| Computer User Support Specialists | \$61,980 | 9 | \$33,685 | 50 |
| Computer Programmers | \$100,430 | 9 | \$54,582 | 51 |
| Lawyers | \$102,090 | 42 | \$55,484 | 50 |
| Paralegals and Legal Assistants | \$57,920 | 18 | \$31,478 | 51 |
| Average | \$91,921 | 27 | \$49,957 | 50 |
| * Includes all 50 states and District of Columbia | | | | |

Take Aways from Analysis

- In terms of mean pay, Hawaii pays well for clinical healthcare professions, ranking 13 of 51
- Hawaii's COL has a major impact on Hawaii salaries, for clinical healthcare professions
- Average ranking for selected clinical healthcare professions, after COL adjustment, was 51
- For selected non-clinical professions, Hawaii's average ranking was 27 out of 51
- Average ranking for selected non-clinical professions, after adjust for COL, was 50
- Overall, clinical healthcare professions pay better when ranked against other states, than other professions, before adjusting for inflation
- Regardless, after adjusting for inflation, Hawaii's healthcare workers fare very poorly, and are amongst the lowest in the nation

How Hawaii Compares

Frequently used Evaluation and Management codes

| Including Alaska | MPFS 2022 - Facility Price | | | | | | Rank* | Quartile by Price |
|------------------|-------------------------------------|--------|----------|--------|--------|---------|-------|-------------------|
| | CPT Code & Description | Hawaii | Baseline | Max | Min | Average | | |
| | 99213 - Office/outpatient visit est | 69.53 | 67.48 | 90.89 | 62.72 | 68.84 | 36 | 4th |
| | 99218 - Initial observation care | 100.19 | 97.94 | 131.73 | 90.74 | 99.66 | 41 | 4th |
| | 99283 - Emergency dept visit | 73.18 | 73.02 | 99.65 | 67.20 | 73.90 | 47 | 4th |
| | 99291 - Critical care first hour | 223.03 | 219.06 | 297.24 | 203.68 | 222.74 | 44 | 4th |
| | 99304 - Nursing facility care init | 92.33 | 88.94 | 119.19 | 82.56 | 90.92 | 33 | 3rd |

Frequently used surgical codes

| Including Alaska | MPFS 2022 - Facility Price | | | | | | Rank* | Quartile by Price |
|------------------|--------------------------------------|----------|----------|----------|----------|----------|-------|-------------------|
| | CPT Code & Description | Hawaii | Baseline | Max | Min | Average | | |
| | 27130 - Total hip arthroplasty | 1,348.72 | 1,315.73 | 1,697.91 | 1,163.69 | 1,332.55 | 41 | 3rd |
| | 27447 - Total knee arthroplasty | 1,347.30 | 1,314.34 | 1,695.71 | 1,162.67 | 1,331.18 | 41 | 3rd |
| | 47562 - Laparoscopic cholecystectomy | 691.14 | 683.82 | 906.84 | 593.45 | 688.96 | 44 | 3rd |
| | 58150 - Total hysterectomy | 1,063.19 | 1,040.26 | 1,342.14 | 933.29 | 1,054.48 | 41 | 3rd |
| | 66982 - Cataract surgery complex | 793.16 | 746.11 | 956.22 | 676.05 | 766.01 | 30 | 3rd |

Medicaid Spending Per Enrollee in Hawaii (2019)

| | All Enrollees | Seniors | Individuals with Disabilities | Adults | Children |
|------------------|---------------|-----------|-------------------------------|---------|----------|
| Hawaii | \$5,563 | \$13,221 | \$22,279 | \$3,946 | \$2,665 |
| National Average | \$7,106 | \$19,350 | \$22,233 | \$4,940 | \$2,874 |
| Difference | (\$1,543) | (\$6,129) | \$46 | (\$994) | (\$209) |
| Hawaii Rank | 47 | 46 | 26 | 45 | 38 |
| # of States | 51 | 51 | 51 | 51 | 51 |

- Hawaii ranked 47 of 51 in terms of overall Medicaid spend per capita in 2019
- Difference on average is \$1,543 per enrollee
- Total annual spend would increase by \$692M if Hawaii was at national average

Pandemic Recovery in Hawaii

- Labor shortages continue/exacerbated
- Labor tensions exacerbated
- PPE utilization still elevated
- Screening costs continue
- Vaccination POD costs continue
- Some patient avoidance continues
- Excess illness
 - From delayed intervention and screenings
- Excess deaths
- Hospital financial system still fragile
- New normal for hospital census
 - Increased costs for insurers
- Pandemic has weakened healthcare financial situation



Pandemic Recovery in Hawaii cont.

- Continued participation in federal hospital sustainability program
- Continued participation in federal nursing facility sustainability program
- Request of state legislature to increase Medicaid professional reimbursement to 100% of Medicare
 - \$30M of state funds - Total of \$70M with federal match
- Request of state legislature to increase funding for UH system
 - Increase # of nursing faculty positions
 - Increase nursing faculty salaries in community colleges
- Work with congressional delegation to increase work GPCI for Medicare professional development
- Work with state and county government on:
 - Increased entry level housing
 - Respite care
 - Affordable housing
- Increase public high school health academies
 - Number of schools
 - Number of students
- Collaboration with HSCN on nurse residency programs
- Glidepaths and scholarships
 - Increase focus on Native Hawaiian and Pacific Islanders





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