

Honolulu, Hawaii

March 3, 2006

RE: H.B. No. 1795
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1795 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION,"

begs leave to report as follows:

The purpose of this bill is to amend the composition of the Board of Directors of the Hawaii Health Systems Corporation (HHSC) by requiring the Governor to appoint:

- (1) Three members from a list of three individuals submitted for each appointment by the President of the Senate; and
- (2) Three members from a list of three individuals submitted for each appointment by the Speaker of the House of Representatives.

If fewer than three names of individuals are submitted for an appointment, the Governor may disregard the list.

The Department of the Attorney General, Board of Directors of HHSC, HHSC Regional Management Advisory Committee Chairs, and HHSC Physicians Advisory Group Chair opposed this bill.

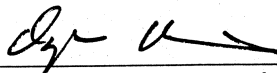


Your Committee has amended this bill by:

- (1) Expanding the HHSC Board of Directors from 13 to 17 members;
- (2) Requiring that of the four new members appointed by the Governor, two members be nominated by the President of the Senate and two members be nominated by the Speaker of the House;
- (3) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1795, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1795, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



DWIGHT TAKAMINE, Chair



