

JAN 22 2007

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# A BILL FOR AN ACT

RELATING TO A GRANT TO KAHUKU HOSPITAL.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that it is in the public  
2 interest to keep Kahuku hospital operating in order to serve the  
3 residents of the north shore of Oahu by enabling it to file for  
4 chapter 11 reorganization bankruptcy, rather than for chapter 7  
5 liquidation bankruptcy, which would allow the hospital to:  
6 continue operations; preserve its hospital license; retain its  
7 certificate of need and critical access hospital designation;  
8 reorganize; and settle its debts. The board of directors of  
9 Kahuku hospital has agreed to continue the hospital's operations  
10 into the first half of 2007 under a chapter 11 reorganization  
11 proceeding pending the enactment of legislation that will have  
12 the effect of causing Kahuku hospital to be acquired by Hawaii  
13 health systems corporation, or otherwise to become affiliated  
14 with the Hawaii health systems corporation.

15           The purpose of this Act is to appropriate a grant, pursuant  
16 to chapter 42F, Hawaii Revised Statutes, to Kahuku hospital on  
17 Oahu for Fiscal Year 2006-2007.



1           The grant will permit Kahuku hospital to maintain  
 2 operations, to cover the costs associated with the chapter 11  
 3 reorganization and the potential transfer of hospital operations  
 4 to the Hawaii health systems corporation.

5           SECTION 2. There is appropriated out of the general  
 6 revenues of the State of Hawaii the sum of \$950,000, or so much  
 7 thereof as may be necessary for fiscal year 2006-2007, as a  
 8 grant pursuant to chapter 42F, Hawaii Revised Statutes, to  
 9 Kahuku hospital on Oahu; provided that the grant shall be funded  
 10 by the emergency appropriation approved by the legislature  
 11 during this regular session of 2007, whether before or after the  
 12 effective date of this Act, authorized for that purpose.

13           The sum appropriated shall be expended by the department of  
 14 health.

15           SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:

*[Handwritten signature]*  
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*Clarence K. Iwamoto*  
*Carol Fukunaga*



**Report Title:**

Kahuku Hospital; Grant

**Description:**

Appropriates \$950,000 as a grant to Kahuku hospital from the emergency appropriation approved by the legislature during the regular session of 2007 to permit it to maintain operations and cover costs of reorganization and to transfer to the Hawaii health systems corporation.

