
A BILL FOR AN ACT

RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION.

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

1 SECTION 1. The legislature finds that the State's
2 community hospital system, Hawaii health systems corporation, is
3 the fourth largest public hospital system in the nation. The
4 Hawaii health system corporation's public health facilities
5 provide essential safety-net hospital and long-term care
6 services throughout the state and are often the only hospitals
7 in many rural communities. Due to rapid changes taking place in
8 the health care industry, the legislature acknowledges that the
9 governing structure of our public hospital system must provide
10 the appropriate flexibility and autonomy needed to compete and
11 remain viable and respond to the needs of the specific
12 communities served by furthering the development of centers of
13 excellence in health care.

14 The current administrative arrangement places the public
15 hospital system in a single statewide public agency, the Hawaii
16 health systems corporation, which operates with some autonomy
17 from the executive branch. This arrangement is the result of



1 landmark legislation, Act 262, Session Laws of Hawaii 1996 (Act
2 262), after years of study. Act 262 was largely the result of
3 the work of a task force established pursuant to Act 266,
4 Session Laws of Hawaii 1994, charged with studying the
5 establishment of an agency for community hospitals, then a
6 division of the department of health. On December 20, 1994, the
7 task force issued its report to the governor and the legislature
8 entitled "The Preliminary Report of the Governor's Task Force on
9 the Establishment of an Agency for Community Hospitals." Many
10 of the recommendations of the task force were adopted by the
11 legislature, resulting in passage of Act 262, and the creation
12 of the Hawaii health systems corporation in 1996.

13 One significant recommendation of the task force included
14 the establishment of regional affiliate boards of directors,
15 along with the system-wide board. The task force stated that:

16 "The Hawaii Health Systems Corporation should
17 administer the state facilities in a decentralized
18 fashion, with the facilities to be grouped into five
19 regions. Three regions should be formed for the
20 facilities of Kauai, Oahu and Maui Counties
21 respectively, and the Big Island should be divided
22 into Eastern and Western regions.



1 Each region should have an operating Board of Directors
2 consisting of nine members. Regional Boards should be
3 initially appointed by the Governor with the advice and
4 consent of the Senate, and should subsequently be self
5 perpetuating (i.e., with future Board appointments made
6 by the current Board)."

7 During the 1996 conference committee hearings on S.B.
8 No. 2522, which ultimately became Act 262, the regional
9 affiliate board concept was replaced with regional management
10 advisory committees. The management advisory committees
11 represent the communities in which the hospitals are located and
12 meet with the management of the facilities and the executives of
13 the Hawaii health systems corporation to give the communities a
14 voice in the provision of these vital safety-net hospital
15 services. However, the legislature finds that the Hawaii
16 health systems corporation has developed strong administrative
17 and clinical leadership in all five regions and is now ready for
18 the implementation of the regional affiliate boards
19 recommendation. Further, the regional affiliate board concept
20 would enhance the ability of local communities and stakeholders
21 to participate in the decision-making and operation of their own
22 community hospitals. While the management advisory committees



1 have been diligent in representing the communities, their role
2 has been solely advisory. Local community stakeholders, through
3 independent regional affiliate boards, are in the best position
4 to make the critical decisions relating to the local operation
5 of their community hospitals. Additionally, regional affiliate
6 boards would have the ability to address local needs and
7 concerns in a more timely fashion.

8 The hospitals, through the Hawaii health systems
9 corporation, should still engage in state-wide activities where
10 a system-wide approach may provide economies of scale,
11 efficiencies, and inter-regional collaboration and cooperation.

12 The purpose of this Act is to advance the State's
13 commitment to provide quality health care for the people of
14 Hawaii, by moving forward on the original task force
15 recommendation of community-based governance and establishing
16 regional affiliate boards for all regions, to be governed by a
17 community-based regional affiliate board of directors, and to
18 provide the necessary authority for each region to accomplish
19 the goal of community-based governance. The Hawaii health
20 system corporation will continue to provide system-wide
21 functions and governance with enhanced representation of
22 regional affiliate board members.



1 SECTION 2. Chapter 323F, Hawaii Revised Statutes, is
2 amended by adding four new sections to be appropriately
3 designated and to read as follows:

4 §323F-A Regional affiliate boards. (a) Each of the
5 regions specified in section 323F-2 shall be governed by a
6 regional affiliate board of directors, which shall carry out the
7 duties and responsibilities set forth in this chapter and as
8 further delegated by the corporation.

9 (b) Each regional affiliate board shall consist of eleven
10 members to be appointed by the governor pursuant to section 26-
11 34; provided eight are appointed as follows:

12 (1) Two members within thirty days of receipt of a
13 qualified list of candidates as follows:

14 (A) One member from a list of at least four
15 individuals who are not physicians submitted by
16 the speaker of the house of representatives; and

17 (B) One member from a list of at least four
18 individuals who are not physicians submitted by
19 the president of the senate;

20 (2) One member nominated by the regional public health
21 facility management advisory committee, chosen from



1 the members of the corporation board who are not
2 physicians;

3 (3) Two members from a list of four individuals who are
4 not physicians submitted by the mayor of the county in
5 which the regional affiliate board is located; and

6 (4) Three physicians from a list of up to six physicians
7 nominated by the medical executive committees in the
8 region.

9 (c) Terms for the initial regional affiliate board members
10 shall be as follows:

11 (1) Two years for members nominated by the house of
12 representatives, senate, or medical executive
13 committees in the region;

14 (2) Two years for the member nominated by the regional
15 public health facility management advisory committee
16 for the region; and

17 (3) Three years for the remaining members and all members
18 appointed thereafter.

19 (d) New members appointed to the regional affiliate board
20 after the original members shall be selected in the same manner
21 as the original members, except the corporation board member,
22 who shall be nominated by the regional affiliate board.



1 (e) Except for the appointment of a representative from
2 the corporation, all other members of a regional affiliate board
3 shall be residents of the region. Each regional affiliate board
4 shall elect its own chair.

5 (f) Each regional affiliate board shall be responsible for
6 local governance, operations, and administration of the delivery
7 of services in its respective region as set forth in this
8 chapter and as further delegated by the corporation. Each
9 regional affiliate board shall include non physician medical and
10 health care providers and professionals, consumers, and
11 knowledgeable individuals in other appropriate areas, such as
12 business and law. Each regional affiliate board shall be as
13 balanced and representative of the community stakeholders as
14 possible.

15 (g) Any member of a regional affiliate board may be
16 removed for cause by the governor or for cause by vote of a two-
17 thirds majority of the regional affiliate board's voting members
18 then in office. For purposes of this section, "cause" shall
19 include without limitation:

- 20 (1) Malfeasance in office;
21 (2) Persistent failure to attend regularly called
22 meetings;



1 (3) Sentencing for conviction of a felony, to the extent
2 allowed by section 831-3.1; or

3 (4) Any other cause that may render a member incapable of
4 discharging or unfit to discharge the duties required
5 under this chapter.

6 **§323F-B Regional chief executive officer; exempt position.**

7 (a) Upon establishment, a regional affiliate board may appoint
8 a regional chief executive officer in collaboration with and
9 subject to the approval of the corporation board; provided that
10 the position shall be exempt from chapter 76 and section 26-
11 35(a)(4). The regional chief executive officer may also appoint
12 as necessary other personnel, exempt from chapters 76 and 89, to
13 work directly for the regional chief executive officer for the
14 region and for the corresponding regional affiliate board.

15 (b) Any regional affiliate board or its designee may
16 discharge its exempt personnel with or without cause; provided
17 that removal without cause shall not prejudice any contract
18 rights of personnel.

19 (c) The regional chief executive officer or the regional
20 chief executive officer's designee may appoint, exempt from
21 chapters 76 and 89, hospital administrators, assistant
22 administrators, directors of nursing, medical directors, and



1 staff physicians, to facilitate the management of facilities
2 within the region.

3 (d) Hiring, firing, compensation packages, and other
4 personnel actions of employees not covered by chapters 76 and 89
5 shall be governed by policies adopted by each regional affiliate
6 board, subject to policies and guidelines established by the
7 corporation in consultation with the regional affiliate boards.

8 **§323F-C. Regional affiliate boards; delegated authority.**

9 If the Hawaii health systems corporation board is unable to act
10 on important transactions in as timely a manner as reasonably
11 required, the chairperson of the corporation board may further
12 delegate authority to the regional affiliate board to take
13 action on specific matters."

14 **"§323F-D Regional affiliate boards; transfer of custodial**
15 **care of assets.** Upon its establishment, a regional affiliate
16 board shall assume custodial care of all real property,
17 including land, structures, and fixtures, and any other physical
18 assets, such as personal property, including furnishings,
19 equipment, and inventory, of the corporation within its region.
20 No sale or encumbrance of any such real property or such other
21 physical assets of the corporation shall be permitted without



1 the mutual consent of the Hawaii health systems corporation
2 board and the appropriate regional affiliate board.

3 SECTION 3. Section 26-5, Hawaii Revised Statutes, is
4 amended by amending subsection (e) to read as follows:

5 "(e) Nothing in this section shall be construed as in any
6 manner affecting the civil service laws applicable to the
7 several counties, the judiciary, or the Hawaii health systems
8 corporation[~~7~~] or its regional affiliate boards, which shall
9 remain the same as if this chapter had not been enacted."

10 SECTION 4. Section 26-35.5, Hawaii Revised Statutes, is
11 amended as follows:

12 1. By amending subsection (a) to read:

13 "(a) For purposes of this section, "member" means any
14 person who is appointed, in accordance with the law, to serve on
15 a temporary or permanent state board, including members of the
16 local school board of any charter school established under
17 chapter 302B, council, authority, committee, or commission,
18 established by law or elected to the board of education, or the
19 board of trustees of the employees' retirement system under
20 section 88-24[~~7~~], or the corporation board of the Hawaii health
21 systems corporation under section 323F-3 and its regional
22 affiliate boards under section 323F-A; provided that "member"



1 shall not include any person elected to serve on a board or
2 commission in accordance with chapter 11 other than a person
3 elected to serve on the board of education."

4 2. By amending subsection (e) to read:

5 "(e) The attorney general, or in the case of the board of
6 regents of the University of Hawaii its university general
7 counsel, or in the case of the board of directors of the Hawaii
8 health systems corporation under section 323F-3 or its regional
9 affiliate boards under chapter 323F-B, the attorneys retained by
10 the board of directors of the Hawaii health systems corporation
11 or its regional affiliate boards under section 323F-9, shall
12 represent and defend a member in any civil action for which
13 immunity is conferred under subsection (b), or when the attorney
14 general, or, if the action involves a member of the board of
15 regents, the university general counsel, or, if the action
16 involves a member of the board of directors of the Hawaii health
17 systems corporation or its regional affiliate boards, the
18 attorneys retained by the board of directors of the Hawaii
19 health systems corporation or its regional affiliate boards,
20 determines that indemnification is available to the member under
21 subsection (c), and the member against whom the action is
22 brought has submitted a written request for representation and



1 has provided the attorney general, [~~or~~] the university general
2 counsel in the case of an action involving a member of the board
3 of regents, or the attorneys retained by the board of directors
4 of the Hawaii health systems corporation or its regional
5 affiliate boards in the case of an action involving a member of
6 the board of directors of the hawaii health systems corporation
7 or its regional affilate boards with all process or complaint
8 served upon the member within a reasonable period of time, but
9 not more than five days after being served with the process or
10 complaint. The attorney general, [~~or~~] the university general
11 counsel, or an attorney retained by the board of directors of
12 the Hawaii health systems corporation may terminate the
13 representation and defense of the member at any time if, after
14 representation and defense is accepted, the attorney general,
15 [~~or~~] the university general counsel, or an attorney retained by
16 the board of directors of the Hawaii health systems corporation
17 determines that indemnification would not be available to the
18 member under subsection (c)."

19 SECTION 5. Section 28-8.3, Hawaii Revised Statutes, is
20 amended as follows:

21 1. By amending subsection (a) to read:



1 "(a) No department of the State other than the attorney
2 general may employ or retain any attorney, by contract or
3 otherwise, for the purpose of representing the State or the
4 department in any litigation, rendering legal counsel to the
5 department, or drafting legal documents for the department;
6 provided that the foregoing provision shall not apply to the
7 employment or retention of attorneys:

- 8 (1) By the public utilities commission, the labor and
9 industrial relations appeals board, and the Hawaii
10 labor relations board;
- 11 (2) By any court or judicial or legislative office of the
12 State;
- 13 (3) By the legislative reference bureau;
- 14 (4) By any compilation commission that may be constituted
15 from time to time;
- 16 (5) By the real estate commission for any action involving
17 the real estate recovery fund;
- 18 (6) By the contractors license board for any action
19 involving the contractors recovery fund;
- 20 (7) By the trustees for any action involving the travel
21 agency recovery fund;
- 22 (8) By the office of Hawaiian affairs;



- 1 (9) By the department of commerce and consumer affairs for
2 the enforcement of violations of chapters 480 and 485;
- 3 (10) As grand jury counsel;
- 4 (11) By the Hawaiian home lands trust individual claims
5 review panel;
- 6 (12) By the Hawaii health systems corporation, or its
7 regional affiliate boards, or any of [~~its~~] their
8 facilities;
- 9 (13) By the auditor;
- 10 (14) By the office of ombudsman;
- 11 (15) By the insurance division;
- 12 (16) By the University of Hawaii;
- 13 (17) By the Kahoolawe island reserve commission;
- 14 (18) By the division of consumer advocacy;
- 15 (19) By the office of elections;
- 16 (20) By the campaign spending commission;
- 17 (21) By the Hawaii tourism authority, as provided in
18 section 201B-2.5; or
- 19 (22) By a department, in the event the attorney general,
20 for reasons deemed by the attorney general good and
21 sufficient, declines, to employ or retain an attorney



1 for a department; provided that the governor thereupon
2 waives the provision of this section."

3 2. By amending subsection (c) to read:

4 "(c) Every attorney employed by any department on a full-
5 time basis, except an attorney employed by the public utilities
6 commission, the labor and industrial relations appeals board,
7 the Hawaii labor relations board, the office of Hawaiian
8 affairs, the Hawaii health systems corporation[7] or its
9 regional affiliate boards, the department of commerce and
10 consumer affairs in prosecution of consumer complaints,
11 insurance division, the division of consumer advocacy, the
12 University of Hawaii, the Hawaii tourism authority as provided
13 in section 201B-2.5, the Hawaiian home lands trust individual
14 claims review panel, or as grand jury counsel, shall be a deputy
15 attorney general."

16 SECTION 6. Section 29-24, Hawaii Revised Statutes, is
17 amended by amending subsection (a) to read as follows:

18 "(a) There is established in the state treasury an
19 interagency federal revenue maximization revolving fund, into
20 which shall be deposited all funds and proceeds collected from
21 the federal government and third-party payors for costs not
22 previously claimed by the State, with the exception of proceeds



1 collected for services provided by the Hawaii health systems
2 corporation[7] or its regional affiliate boards, for
3 reimbursement of federally-funded state programs. For purposes
4 of this chapter, federally-funded state programs include but
5 shall not be limited to those federally-funded programs within
6 the departments of human services and health, and shall not
7 include the federally-funded program within the department of
8 education as provided in [+]section[+] 302A-1406. Expenditures
9 and transfers from the fund shall be made by the comptroller in
10 proportional allocations established by the comptroller and the
11 director of finance. Transfers shall be made to the department
12 claiming the reimbursement for expenses incurred related to
13 federal fund reimbursement claims and to the general fund of the
14 State. Moneys in the fund may be expended for consultant
15 services rendered under subsection (b)."

16 SECTION 7. Section 36-27, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§36-27 Transfers from special funds for central service**
19 **expenses.** Except as provided in this section, and
20 notwithstanding any other law to the contrary, from time to
21 time, the director of finance, for the purpose of defraying the



1 prorated estimate of central service expenses of government in
2 relation to all special funds, except the:

- 3 (1) Special out-of-school time instructional program fund
4 under section 302A-1310;
- 5 (2) School cafeteria special funds of the department of
6 education;
- 7 (3) Special funds of the University of Hawaii;
- 8 (4) State educational facilities improvement special fund;
- 9 (5) Convention center enterprise special fund under
10 section 201B-8;
- 11 (6) Special funds established by section 206E-6;
- 12 (7) Housing loan program revenue bond special fund;
- 13 (8) Housing project bond special fund;
- 14 (9) Aloha Tower fund created by section 206J-17;
- 15 (10) Funds of the employees' retirement system created by
16 section 88-109;
- 17 (11) Unemployment compensation fund established under
18 section 383-121;
- 19 (12) Hawaii hurricane relief fund established under chapter
20 431P;
- 21 (13) Hawaii health systems corporation special funds[+] and
22 the subaccounts of its regional affiliate boards;



- 1 (14) Tourism special fund established under section
2 201B-11;
- 3 (15) Universal service fund established under chapter 269;
- 4 (16) Integrated tax information management systems special
5 fund under section 231-3.2;
- 6 (17) Emergency and budget reserve fund under section
7 328L-3;
- 8 (18) Public schools special fees and charges fund under
9 section 302A-1130(f);
- 10 (19) Sport fish special fund under section 187A-9.5;
- 11 (20) Neurotrauma special fund under section 321H-4;
- 12 (21) Deposit beverage container deposit special fund under
13 section 342G-104;
- 14 (22) Glass advance disposal fee special fund established by
15 section 342G-82;
- 16 (23) Center for nursing special fund under section
17 [+]304A-2163[+];
- 18 (24) Passenger facility charge special fund established by
19 section 261-5.5;
- 20 (25) Solicitation of funds for charitable purposes special
21 fund established by section 467B-15;
- 22 (26) Land conservation fund established by section 173A-5;



1 (27) Court interpreting services revolving fund under
2 section 607-1.5;
3 (28) Trauma system special fund under section 321-22.5;
4 (29) Hawaii cancer research special fund;
5 (30) Community health centers special fund; and
6 (31) Emergency medical services special fund[+];
7 shall deduct five per cent of all receipts of all other special
8 funds, which deduction shall be transferred to the general fund
9 of the State and become general realizations of the State. All
10 officers of the State and other persons having power to allocate
11 or disburse any special funds shall cooperate with the director
12 in effecting these transfers. To determine the proper revenue
13 base upon which the central service assessment is to be
14 calculated, the director shall adopt rules pursuant to chapter
15 91 for the purpose of suspending or limiting the application of
16 the central service assessment of any fund. No later than
17 twenty days prior to the convening of each regular session of
18 the legislature, the director shall report all central service
19 assessments made during the preceding fiscal year.[+]"

20 SECTION 8. Section 36-30, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:

22 "(a) Each special fund, except the:



- 1 (1) Transportation use special fund established by section
2 261D-1;
- 3 (2) Special out-of-school time instructional program fund
4 under section 302A-1310;
- 5 (3) School cafeteria special funds of the department of
6 education;
- 7 (4) Special funds of the University of Hawaii;
- 8 (5) State educational facilities improvement special fund;
- 9 (6) Special funds established by section 206E-6;
- 10 (7) Aloha Tower fund created by section 206J-17;
- 11 (8) Funds of the employees' retirement system created by
12 section 88-109;
- 13 (9) Unemployment compensation fund established under
14 section 383-121;
- 15 (10) Hawaii hurricane relief fund established under chapter
16 431P;
- 17 (11) Convention center enterprise special fund established
18 under section 201B-8;
- 19 (12) Hawaii health systems corporation special funds[+] and
20 the subaccounts of its regional affiliate boards;
- 21 (13) Tourism special fund established under section
22 201B-11;



- 1 (14) Universal service fund established under chapter 269;
- 2 (15) Integrated tax information management systems special
- 3 fund under section 231-3.2;
- 4 (16) Emergency and budget reserve fund under section
- 5 328L-3;
- 6 (17) Public schools special fees and charges fund under
- 7 section 302A-1130(f);
- 8 (18) Sport fish special fund under section 187A-9.5;
- 9 (19) Neurotrauma special fund under section 321H-4;
- 10 (20) Center for nursing special fund under section
- 11 [‡]304A-2163[‡];
- 12 (21) Passenger facility charge special fund established by
- 13 section 261-5.5;
- 14 (22) Court interpreting services revolving fund under
- 15 section 607-1.5;
- 16 (23) Trauma system special fund under section 321-22.5;
- 17 (24) Hawaii cancer research special fund;
- 18 (25) Community health centers special fund; and
- 19 (26) Emergency medical services special fund[‡];
- 20 shall be responsible for its pro rata share of the
- 21 administrative expenses incurred by the department responsible
- 22 for the operations supported by the special fund concerned.[‡]"



1 SECTION 9. Section 37-53, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§37-53 **Transfer of special funds.** At any time during a
4 fiscal year, notwithstanding any other law to the contrary, any
5 department may, with the approval of the governor or the
6 director of finance if so delegated by the governor, transfer
7 from any special fund relating to such department to the general
8 revenues of the State all or any portion of moneys determined to
9 be in excess of fiscal year requirements for such special fund,
10 except for special funds under the control of the department of
11 transportation relating to highways, airports, transportation
12 use, and harbors activities, special funds under the control of
13 the Hawaii health systems corporation[7] or subaccounts under
14 the control of its regional affiliate boards, and special funds
15 of the University of Hawaii. At any time the department of
16 transportation, with the approval of the governor or the
17 director of finance if so delegated by the governor, may
18 transfer from any special fund under the control of the
19 department of transportation, or from any account within any
20 such special fund, to the general revenues of the State or to
21 any other special fund under the control of the department of
22 transportation all or any portion of moneys determined to be in



1 excess of requirements for the ensuing twelve months determined
2 as prescribed by rules adopted pursuant to chapter 91; provided
3 that no such transfer shall be made which would cause a
4 violation of federal law or federal grant agreements."

5 SECTION 10. Section 37-74, Hawaii Revised Statutes, is
6 amended by amending subsection (d) to read as follows:

7 "(d) No appropriation transfers or changes between
8 programs or agencies shall be made without legislative
9 authorization; provided that:

10 (1) Authorized transfers or changes, when made, shall be
11 reported to the legislature;

12 (2) Except with respect to appropriations to fund
13 financing agreements under chapter 37D, the University
14 of Hawaii shall have the flexibility to transfer
15 appropriated funds and positions for the operating
16 cost category among programs, among cost elements in a
17 program, and between quarters, as applicable; except
18 with respect to appropriations to fund financing
19 agreements under chapter 37D, the department of
20 education shall have the flexibility to transfer
21 appropriated funds and positions for the operating
22 cost category among programs and among cost elements



1 in a program, and between quarters, as applicable; and
2 the Hawaii health systems corporation and its regional
3 affiliate boards shall have the flexibility to
4 transfer special fund appropriations among community
5 hospitals facilities as applicable[+] and as mutually
6 agreed to by the corporation and the respective
7 regional affiliate board; provided that the Hawaii
8 health systems corporation and the regional affiliate
9 boards shall maintain the integrity and services of
10 each individual facility and shall not transfer
11 appropriations out of any facility that would result
12 in a reduction of services offered by the facility,
13 with due regard for statutory requirements, changing
14 conditions, the needs of the programs, and the
15 effective utilization of resources; and

- 16 (3) The university and the department of education shall
17 account for each transfer implemented under this
18 subsection in quarterly reports to the governor and
19 annual reports at the end of each fiscal year to the
20 legislature and the governor, which shall be prepared
21 in the form and manner prescribed by the governor and



1 shall include information on the sources and uses of
2 the transfer."

3 SECTION 11. Section 37D-1, Hawaii Revised Statutes, is
4 amended by amending the definition of "agency" to read as
5 follows:

6 ""Agency" or "participating agency" means the judiciary,
7 any executive department, any independent commission, any board,
8 any authority, any bureau, any office, any other establishment
9 of the State (except the legislature and its agencies), or any
10 public corporation that is supported in whole or in part by
11 state funds, or any agent thereof, authorized by law to expend
12 available moneys; provided that the Hawaii health systems
13 corporation and its regional affiliate boards shall not be
14 governed by this chapter for any financing agreement unless it
15 elects to [~~do so~~] be."

16 SECTION 12. Section 37D-2, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§37D-2 Financing agreements.** (a) There is hereby
19 established and authorized the financing agreement program of
20 the State. Any agency desiring to acquire or improve projects
21 through the financing agreement program established and
22 authorized by this chapter shall submit a written request to the



1 department providing such information as the department shall
2 require. Notwithstanding any other law to the contrary, and
3 except for the Hawaii health systems corporation[7] and its
4 regional affiliate boards, only with the approval by the
5 attorney general as to form and legality and upon the written
6 request of one or more participating agencies may the department
7 enter into a financing agreement in accordance with this
8 chapter, except that the board of regents of the University of
9 Hawaii may enter into a financing agreement in accordance with
10 this chapter without the approval of the director and of the
11 attorney general as to form and legality if the principal amount
12 of the financing agreement does not exceed \$3,000,000. A
13 financing agreement may be entered into by the department on
14 behalf of one or more participating agencies at any time (before
15 or after commencement or completion of any improvements or
16 acquisitions to be financed) and shall be upon terms and
17 conditions the department finds to be advantageous. In each
18 case of a written request by the judiciary to participate in the
19 financing agreement program, the department shall implement the
20 request; provided that the related financing agreement shall be
21 upon terms and conditions the department finds to be
22 advantageous. Any financing agreement entered into by the



1 department without the approval required by this section shall
2 be void and of no effect. A single financing agreement may
3 finance a single item or multiple items of property to be used
4 by multiple agencies or may finance a single item or multiple
5 items of property to be used by a single agency. The department
6 shall bill any participating agency that benefits from property
7 acquired with the proceeds of a financing agreement for such
8 participating agency's pro rata share of:

- 9 (1) The department's costs of administration of the
10 financing agreement program; and
11 (2) The financing costs, including the principal and
12 interest components of the financing agreement and
13 insurance premiums;
14 on a monthly or other periodic basis, and may deposit payments
15 received in connection with the billings with a trustee as
16 security for a financing agreement. Any participating agency
17 receiving such a bill shall be authorized and shall pay the
18 amounts billed from the available moneys.

19 (b) Financing agreements shall be subject to the following
20 limitations:

- 21 (1) Amounts payable by a participating agency to or upon
22 the direction of the department in respect to a



1 project and by the department under a financing
2 agreement shall be limited to available moneys. In no
3 circumstance shall the department be obligated to pay
4 amounts due under a financing agreement from any
5 source other than available moneys. If, by reason of
6 insufficient available moneys or other reason, amounts
7 due under a financing agreement are not paid when due,
8 the lender may exercise any property right that the
9 department has granted to it in the financing
10 agreement, against the property that was purchased
11 with the proceeds of the financing agreement, and
12 apply the amounts so received toward payments
13 scheduled to be made by the department under the
14 financing agreement;

15 (2) No property rights may be granted in property unless
16 the property is being acquired, is to be substantially
17 improved, is to be refinanced with the proceeds of a
18 financing agreement, or is land on which the property
19 is located;

20 (3) Notwithstanding any other law to the contrary, and
21 except for the Hawaii health systems corporation
22 and its regional affiliate boards, and as otherwise



1 provided in this section with respect to the
2 University of Hawaii, and except as provided in
3 chapter 323F as to the Hawaii health systems
4 corporation~~[7]~~ and its regional affiliate boards, an
5 agency shall not have the power to enter into a
6 financing agreement, except through the department as
7 authorized by this chapter, and nothing in this
8 chapter shall be construed to authorize the sale,
9 lease, or other disposition of property owned by an
10 agency;

11 (4) Except as otherwise provided in this section with
12 respect to the University of Hawaii, the sale,
13 assignment, or other disposition of any financing
14 agreements, including certificates of participation
15 relating thereto, shall require the approval of the
16 director; and

17 (5) The department shall not be subject to chapter 103D
18 and any and all other requirements of law for
19 competitive bidding for financing agreements."

20 SECTION 13. Section 41D-2, Hawaii Revised Statutes, is
21 amended by amending subsection (b) to read as follows:



1 "(b) Any provision in this section to the contrary
2 notwithstanding, the University of Hawaii (as to casualty
3 insurance risks only), the Research Corporation of the
4 University of Hawaii (as to casualty insurance risks only),
5 [and] the public health facilities of the department of health
6 (with respect to medical malpractice risks only), and the Hawaii
7 health systems corporation and its regional affiliate boards
8 shall be exempt from the requirements of this chapter."

9 SECTION 14. Section 102-2, Hawaii Revised Statutes, is
10 amended by amending subsection (b) to read as follows:

11 "(b) The bidding requirements of subsection (a) shall not
12 apply to concessions or space on public property set aside for
13 the following purposes:

14 (1) For operation of ground transportation services and
15 parking lot operations at airports, except for motor
16 vehicle rental operations under chapter 437D;

17 (2) For lei vendors;

18 (3) For airline and aircraft operations;

19 (4) For automatic teller machines and vending machines,
20 except vending machines located at public schools
21 operated by blind or visually handicapped persons in
22 accordance with section 302A-412;



- 1 (5) For operation of concessions set aside without any
2 charge;
- 3 (6) For operation of concessions by handicapped or blind
4 persons; except concessions operated in the public
5 schools by blind or visually handicapped persons in
6 accordance with section 302A-412;
- 7 (7) For operation of concessions on permits revocable on
8 notice of thirty days or less; provided that no such
9 permits shall be issued for more than a one year
10 period;
- 11 (8) For operation of concessions or concession spaces for
12 a beach service association dedicated to the
13 preservation of the Hawaii beachboy tradition,
14 incorporated as a nonprofit corporation in accordance
15 with state law, and whose members are appropriately
16 licensed or certified as required by law;
- 17 (9) For operation of concessions at county zoos, botanic
18 gardens, or other county parks which are
19 environmentally, culturally, historically, or
20 operationally unique and are supported, by nonprofit
21 corporations incorporated in accordance with state law
22 solely for purposes of supporting county aims and



1 goals of the zoo, botanic garden, or other county
2 park, and operating under agreement with the
3 appropriate agency solely for such purposes, aims, and
4 goals;

5 (10) For operation of concessions that furnish goods or
6 services for which there is only one source, as
7 determined by the head of the awarding government
8 agency in writing that shall be included in the
9 contract file; [~~and~~]

10 (11) For operation of concession or concession spaces at
11 the convention center under chapter 201B[-]; and

12 (12) For any of the operations of the Hawaii health systems
13 corporation and its regional affiliate boards."

14 SECTION 15. Section 103-53, Hawaii Revised Statutes, is
15 amended by amending subsection (e) to read as follows:

16 "(e) This section shall not apply to:

17 (1) Any procurement of less than \$25,000 or that is
18 considered a small purchase under section 103D-305 and
19 any state or county department contract of less than
20 \$25,000;

21 (2) Emergency purchases for the procurement of goods,
22 services, or construction under section 103D-307,



1 disaster relief under chapter 127, or a civil defense
2 emergency under chapter 128;

3 (3) Grants and subsidies disbursed by a state agency
4 pursuant to chapter 42F or in accordance with
5 standards provided by law as required by article VII,
6 section 4, of the State Constitution, or made by the
7 counties pursuant to their respective charters or
8 ordinances;

9 (4) Contracts or agreements between government agencies;

10 (5) Contracts or agreements to disburse funds:

11 (A) To make payments to or on behalf of public
12 officers and employees for salaries, fringe
13 benefits, professional fees, and reimbursements;

14 (B) To satisfy obligations required to be paid by law,
15 including fees, judgments, settlements, and other
16 payments for resolving claims;

17 (C) To make refunds or return funds held by the State
18 or county as trustee, custodian, or bailee;

19 (D) For entitlement programs, including public
20 assistance, unemployment, and workers'
21 compensation programs, established by state or
22 federal law;



1 (E) For deposit, investment, or safekeeping, including
2 sums to pay expenses related to their deposit
3 investment, or safekeeping;

4 (F) For loans under government-administered loan
5 programs; or

6 (G) To make periodic, recurring payments for utility
7 services; [~~and~~]

8 (6) Rent for the use or occupation of the premises and
9 facilities at Aloha Stadium, the convention center, or
10 any other state or county large spectator events
11 facility[~~-~~]; and

12 (7) Contracts or agreements of the Hawaii health systems
13 corporation and its regional affiliate boards."

14 SECTION 16. Section 323F-1, Hawaii Revised Statutes, is
15 amended by adding a new definition to be appropriately inserted
16 and to read as follows:

17 "Regional affiliate board" means a community-based
18 governing board of directors of a region of the corporation."

19 SECTION 17. Section 323F-3, Hawaii Revised Statutes, is
20 amended by amending subsection (b) to read as follows:

21 "(b) Ten members of the corporation board shall be
22 appointed by the governor [~~as follows:~~]



1 ~~(1) One member from region I who resides in the city~~
2 ~~and county of Honolulu;~~

3 ~~(2) One member from region II who resides in the~~
4 ~~county of Kauai;~~

5 ~~(3) One member from region III who resides in the~~
6 ~~county of Maui;~~

7 ~~(4) One member from region IV who resides in the~~
8 ~~eastern section of the county of Hawaii;~~

9 ~~(5) One member from region V who resides in the~~
10 ~~western section of the county of Hawaii;~~

11 ~~(6) One member from region II who resides in the county of~~
12 ~~Kauai or from region III who resides in the district~~
13 ~~of Hana or on the island of Lanai; provided that in no~~
14 ~~event shall the member be appointed from the same~~
15 ~~region for two consecutive terms; and~~

16 ~~(7) Four at-large members who reside in the State.~~

17 ~~The eleventh member shall be the chairperson of the~~
18 ~~executive public health facility management advisory committee,~~
19 ~~who shall serve as an ex officio, voting member.] from the~~
20 members of the regional affiliate boards of each region created
21 pursuant to sections 323F-A and 323F-D, as follows:



- 1 (1) Two members of the regional affiliate board for region
2 I who reside in the city and county of Honolulu;
- 3 (2) Two members of the regional affiliate board for region
4 II who reside in the county of Kauai;
- 5 (3) Two members of the regional affiliate board for region
6 III who reside in the county of Maui;
- 7 (4) Two members of the regional affiliate board for region
8 IV who reside in the eastern section of the county of
9 Hawaii; and
- 10 (5) Two members of the regional affiliate boards for
11 region V who reside in the western section of the
12 county of Hawaii.

13 The eleventh and twelfth [~~member,~~] members, who shall serve
14 as [a] voting [~~member,~~] members, shall be [~~a physician]~~
15 physicians with active medical staff privileges at one of the
16 corporation's public health facilities. The physician [~~member]~~
17 members shall each serve a term of two years. [~~The initial~~
18 ~~physician member shall be from region II, and subsequent~~
19 ~~physician members shall come from regions IV, III, and V~~
20 ~~respectively. The physician member position shall continue to~~
21 ~~rotate in this order.] The physician [~~member]~~ members shall be
22 appointed to the corporation board by a simple majority vote of~~



1 the [~~members of the executive public health facility management~~
2 ~~advisory committee~~] corporation board from a list of qualified
3 nominees submitted by the public health facility management
4 advisory committee [~~for the region from which the physician~~
5 ~~member is to be chosen.~~] or by any regional affiliate board.
6 The corporation board shall choose physicians from different
7 regions and rotate the appointments among the five regions.

8 If for any reason a physician member is unable to serve a
9 full term, the remainder of that term shall be filled by a
10 physician from the same region.

11 The thirteenth member shall be the director of health or
12 the director's designee, who shall serve as an ex officio,
13 voting member.

14 Appointments to the corporation board, with the exception
15 of the [~~chairperson of the executive public health facility~~
16 ~~management advisory committee and the regional~~] physician
17 [~~member,~~] members appointed by the corporation board, shall be
18 made by the governor, subject to confirmation by the senate
19 pursuant to section 26-34. [~~Prior to the transfer date, the~~
20 The [~~public health facility management advisory committees~~
21 regional affiliate boards appointed [~~pursuant to section 323-66~~
22 for each [~~county~~] region may recommend names to the governor for



1 each position on the corporation board designated for [a] the
2 respective region [~~which corresponds to its county~~]. [~~After the~~
3 ~~transfer date, the public health facility management advisory~~
4 ~~committees appointed pursuant to section 323F-10 for each region~~
5 ~~may make such recommendations to the governor.~~] The appointed

6 board members shall serve for a term of four years; provided
7 that [~~upon the initial appointment of the first ten members:~~

8 ~~(1) Two at-large members shall be appointed for a term of~~
9 ~~two years;~~

10 ~~(2) Three at-large members shall be appointed for a term~~
11 ~~of three years; and~~

12 ~~(3) Five regional members shall be appointed for a term of~~
13 ~~four years.] the first member appointed from each regional~~

14 affiliate board shall be appointed for a term of two years.

15 Any vacancy shall be filled in the same manner provided for

16 the original appointments[-], except where a public management

17 advisory committee has been abolished, in which case, the

18 regional affiliate board shall take the necessary action set

19 forth in this subsection. The corporation board shall elect its

20 own chair from among its members. Appointments to the

21 corporation board shall be as representative as possible of the

22 system's stakeholders as outlined in this subsection."



1 SECTION 18. Section 323F-4, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§323F-4 Board meetings.** (a) The corporation board shall
4 meet no fewer than four times a year. The corporation board and
5 each regional affiliate board shall be exempt from part I of
6 chapter 92 and shall meet no fewer than six times a year;
7 provided that the regional affiliate boards shall hold at least
8 two public community meetings for the purpose of informing the
9 community and taking comment on the region's performance. [All
10 ~~meetings of the corporation board shall be subject to chapter~~
11 ~~92, except that in addition to matters exempted pursuant to law,~~
12 ~~the corporation board may elect to hold an executive meeting for~~
13 ~~the consideration of any matters set forth in section 323F-6.]~~

14 (b) All business of the corporation board and each
15 regional affiliate board shall be conducted at a regular or
16 special meeting at which a quorum is present, consisting of at
17 least a majority of the directors then in office. Any action of
18 the corporation board or each regional affiliate board shall
19 require the affirmative vote of a majority of those present and
20 voting at the meeting; except that a vote of two-thirds of the
21 [~~members~~] entire membership of the [~~corporation~~] respective



1 board then in office shall be required for any of the following
2 actions:

3 (1) Removal by the corporation board or respective
4 regional affiliate board of one of its members [~~with~~
5 ~~the exception of the eleventh and twelfth members set~~
6 ~~forth in section 323F-3, who may only be removed~~
7 ~~pursuant to sections 323F-10 and 323F-10.5];~~

8 (2) Amendment by the corporation or a regional affiliate
9 board of its bylaws;

10 (3) Hiring or removing the chief executive officer of the
11 corporation [~~+~~] or regional chief executive officer;
12 and

13 (4) Any other actions as provided by the corporation or
14 regional affiliate board bylaws."

15 SECTION 19. Section 323F-5, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "[~~+~~]**§323F-5**[~~+~~] **Disclosure of interests.** All corporation
18 and regional affiliate board members and employees of the
19 corporation shall be subject to chapter 84."

20 SECTION 20. Section 323F-6, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "[+]§323F-6[+] **Records.** The corporation and each regional
2 affiliate board shall be subject to the requirements of chapter
3 92F, except that the following categories of government records
4 shall not be required to be disclosed:

5 (1) Applications for credentials or staff privileges at
6 any of the corporation's medical facilities, records
7 from peer review proceedings, and medical records; and

8 (2) Marketing strategies, strategic plans, evaluations,
9 assessments, negotiations, or rates and charges, the
10 disclosure of which would raise the cost of
11 procurement or give a manifestly unfair advantage to
12 any competitor or to any person or entity seeking to
13 do business or proposing to enter into an agreement
14 with a regional affiliate board, the corporation, or
15 any of its facilities.

16 Any person denied access to any such government records
17 shall have available the remedies specified in sections 92F-15
18 and 92F-15.5. Government records protected from disclosure by
19 this section shall be subject to the interagency disclosure
20 provisions of section 92F-19. Section 624-25.5 shall apply to
21 this part notwithstanding anything to the contrary contained in
22 this section."



1 SECTION 21. Section 323F-7, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§323F-7 Duties and powers of the corporation~~[]~~ and**
4 **regional affiliate boards.** (a) Notwithstanding any other law
5 to the contrary~~[]~~ and unless otherwise specified, only those
6 duties and powers related to corporation-wide matters, including
7 but not limited to corporation-wide budgeting, personnel
8 policies, procurement policies, fiscal policies, accounting
9 policies, policies related to affiliations, joint ventures and
10 contracts, regulatory compliance, risk management, strategic
11 planning, and capital planning, including the issuance of
12 revenue bonds in any amount, shall be carried out by the
13 corporation [~~shall have and exercise the following duties~~]
14 board. Duties and powers~~[]~~ related to the operation of
15 facilities within each region, including but not limited to
16 regional and facility budgeting, employment and removal of
17 regional and facility personnel, purchasing, regional strategic
18 and capital planning, organization, quality assurance,
19 improvement and reporting, credentialing of medical staff, and
20 the issuance of revenue bonds in any amount with corporation
21 board approval, shall be carried out by the regional affiliate
22 boards, either directly or by delegation to regional and



1 facility administration. Unless otherwise prohibited, the
2 duties and powers granted to the corporation board may be
3 delegated to the regional affiliate boards.

4 (b) Notwithstanding any other law to the contrary, the
5 corporation, either directly or through any of the regional
6 affiliate boards, shall exercise the following duties and
7 powers:

8 (1) Developing [~~its own~~] corporation-wide policies,
9 procedures, and rules necessary or appropriate to
10 plan, operate, manage, and control the system of
11 public health facilities and services without regard
12 to chapter 91; provided that each regional affiliate
13 board shall be responsible for its own policies,
14 procedures, and rules necessary or appropriate to
15 plan, operate, manage, and control the public health
16 facilities within its own region consistent with
17 corporate policies;

18 (2) Evaluating the need for additional health facilities
19 and services; provided that each regional affiliate
20 board shall be responsible for the evaluation within
21 its own region;



1 (3) Entering into and performing any contracts, leases,
2 cooperative agreements, partnerships, or other
3 transactions whatsoever that may be necessary or
4 appropriate in the performance of its purposes and
5 responsibilities, and on terms [~~it~~] the corporation,
6 with agreement of the affected regional affiliate
7 boards, may deem appropriate, with either:

8 (A) Any agency or instrumentality of the United
9 States, or with any state, territory, or
10 possession, or with any subdivision thereof; or

11 (B) Any person, firm, association, partnership, or
12 corporation, whether operated on a for-profit or
13 not-for-profit basis; provided that the
14 transaction furthers the public interest;

15 (4) Conducting activities and entering into business
16 relationships as the corporation board, with the
17 agreement of the affected regional affiliate boards,
18 deems necessary or appropriate, including but not
19 limited to:

20 (A) Creating nonprofit corporations, including but not
21 limited to charitable fund-raising foundations,



1 to be controlled wholly by the corporation, any
2 regional affiliate board, or jointly with others;

3 (B) Establishing, subscribing to, and owning stock in
4 business corporations individually or jointly
5 with others; and

6 (C) Entering into partnerships and other joint venture
7 arrangements, or participating in alliances,
8 purchasing consortia, health insurance pools, or
9 other cooperative arrangements, with any public
10 or private entity; provided that any corporation,
11 venture, or relationship entered into under this
12 section furthers the public interest; provided
13 further that this paragraph shall not be
14 construed to authorize the corporation or a
15 regional affiliate board to abrogate any
16 responsibility or obligation under paragraph
17 (15);

18 provided that each regional affiliate board shall be
19 responsible for conducting the activities under this
20 paragraph in its own region consistent with policies
21 established by the corporation board;



- 1 (5) Participating in and developing prepaid health care
2 service and insurance programs and other alternative
3 health care delivery programs, including programs
4 involving the acceptance of capitated payments or
5 premiums that include the assumption of financial and
6 actuarial risk; provided that each regional affiliate
7 board shall be responsible for conducting the
8 activities under this paragraph in its own region
9 consistent with policies established by the
10 corporation board;
- 11 (6) Executing, in accordance with all applicable bylaws,
12 rules, and laws, all instruments necessary or
13 appropriate in the exercise of any powers of the
14 [~~corporation's powers;~~] corporation or regional
15 affiliate boards;
- 16 (7) Preparing and executing all [~~corporation~~] corporation-
17 wide budgets, policies, and procedures[+] or any
18 regional budgets, policies, and procedures; provided
19 that the regional affiliate boards shall submit their
20 regional and facility budgets to the corporation to be
21 consolidated into a corporation-wide budget for



- 1 purposes of corporation-wide planning and
2 appropriation requests;
- 3 (8) Setting rates and charges for all services provided by
4 the corporation without regard to chapter 91; provided
5 that the duty and power of the corporation board shall
6 be limited to approving the rates and charges
7 developed by the regional affiliate boards for the
8 region's facilities and services. A region's rates
9 and charges shall be consolidated with the rates of
10 other regions into one charge master. Third-party
11 payor contracts may be negotiated at the corporation-
12 wide level with input from the regions, taking into
13 consideration the rates set by the regional affiliate
14 boards;
- 15 (9) Developing a corporation-wide hospital personnel
16 system that is subject to chapters 76 and 89; provided
17 that employment of regional and facility personnel
18 shall be the responsibility of the regional affiliate
19 boards pursuant to corporation-wide policies and
20 procedures, applicable laws, rules, and regulations,
21 and applicable collective bargaining agreements;



- 1 (10) Developing the corporation's corporation-wide capital
2 and strategic plans[+] or any regional affiliate
3 board's regional capital and strategic plans; provided
4 that each regional affiliate board shall be
5 responsible for development of capital and strategic
6 plans in its own region that shall be consistent with,
7 and incorporated into, the overall corporation-wide
8 plans;
- 9 (11) Suing and being sued; provided that the corporation
10 and the regional affiliate boards shall enjoy the same
11 sovereign immunity available to the State;
- 12 (12) Making and altering corporation board and regional
13 affiliate board bylaws for its organization and
14 management without regard to chapter 91[+] and
15 consistent with this chapter; provided that each
16 regional affiliate board shall be responsible for the
17 final approval of its regional affiliate board bylaws;
- 18 (13) Adopting rules[+] without regard to chapter 91[+]
19 governing the exercise of [~~its~~] the corporation's or
20 regional affiliate boards' powers and the fulfillment
21 of its purpose under this chapter;



- 1 (14) Entering into any contract or agreement whatsoever,
2 not inconsistent with this chapter or the laws of this
3 State, and authorizing the corporation, regional
4 affiliate boards, and chief executive [~~officer~~]
5 officers to enter into all contracts, execute all
6 instruments, and do all things necessary or
7 appropriate in the exercise of the powers granted in
8 this chapter, including securing the payment of bonds;
9 provided that the regional affiliate boards shall be
10 responsible for entering into contracts and executing
11 all instruments relating to matters exclusively
12 affecting its region consistent with corporation-wide
13 policies;
- 14 (15) Issuing revenue bonds subject to the approval of the
15 legislature; provided that all revenue bonds shall be
16 issued pursuant to part III, chapter 39; provided
17 further that the corporation shall have the power to
18 incur debt, including the issuance of revenue bonds in
19 any amount, and the regional affiliate boards shall
20 have the power to issue revenue bonds in any amount
21 upon approval by the corporation board;



- 1 (16) Reimbursing the state general fund for debt service on
2 general obligation bonds or reimbursable general
3 obligation bonds issued by the State for the purposes
4 of the corporation[?] or any regional affiliate board;
- 5 (17) Pledging or assigning all or any part of the receipts
6 and revenues of the corporation or the regional
7 affiliate boards for purposes of meeting bond or
8 health systems liabilities;
- 9 (18) Owning, purchasing, leasing, exchanging, or otherwise
10 acquiring property, whether real, personal or mixed,
11 tangible or intangible, and of any interest therein,
12 in the name of the corporation, which property is not
13 owned or controlled by the State but is owned or
14 controlled by the corporation; provided that the
15 corporation shall delegate custodial control over such
16 property to a regional affiliate board in any region
17 where policies have been established consistent with
18 corporate policies regarding the management of the
19 property;
- 20 (19) Maintaining, improving, pledging, mortgaging, selling,
21 or otherwise holding or disposing of property, whether
22 real, personal or mixed, tangible or intangible, and



1 of any interest therein, at any time and manner, in
2 furtherance of the purposes and mission of the
3 corporation[+] or any regional affiliate board;
4 provided that the corporation legally holds or
5 controls the property in its own name; provided
6 further that the corporation or any regional affiliate
7 board shall not sell, assign, lease, hypothecate,
8 mortgage, pledge, give, or dispose of all or
9 substantially all of its property; and provided
10 further that the corporation shall delegate control
11 over such property to the regional affiliate board;
12 (20) Purchasing insurance and creating captive insurers in
13 any arrangement deemed in the best interest of the
14 corporation, including but not limited to funding and
15 payment of deductibles and purchase of reinsurance;
16 provided that only the corporation shall have the
17 power to create captive insurers to benefit public
18 health facilities and operations; and provided further
19 that a regional affiliate board may purchase insurance
20 for its region in collaboration with the other regions
21 and the corporation until captive coverage is provided
22 by the corporation;



- 1 (21) Acquiring by condemnation, pursuant to chapter 101,
2 any real property required by the corporation to carry
3 out the powers granted by this chapter;
- 4 (22) Depositing any moneys of the corporation in any
5 banking institution within or without the State, and
6 appointing, for the purpose of making deposits, one or
7 more persons to act as custodians of the moneys of the
8 corporation~~[+]~~; provided that regional affiliate
9 boards may deposit moneys in banking institutions
10 pursuant to corporation-wide guidelines established by
11 the corporation board;
- 12 (23) Contracting for and accepting any gifts, grants, and
13 loans of funds, property, or any other aid in any form
14 from the federal government, the State, any state
15 agency, or any other source, or any combination
16 thereof, and complying, subject to this chapter, with
17 the terms and conditions thereof; provided that the
18 regional affiliate boards shall be responsible for
19 contracting for and accepting any gifts, grants,
20 loans, property, or other aid if intended to benefit
21 the public health facilities and operations
22 exclusively in their respective regions;



- 1 (24) Providing health and medical services for the public
2 directly or by agreement or lease with any person,
3 firm, or private or public corporation, partnership,
4 or association through or in the health facilities of
5 the corporation or regional affiliate boards or
6 otherwise; provided that the regional affiliate boards
7 shall be responsible for conducting the activities
8 under this paragraph in their respective regions;
- 9 (25) Approving medical staff bylaws, rules, and medical
10 staff appointments and reappointments for all public
11 health facilities~~[r]~~ of the corporation or any
12 regional affiliate board, including ~~[without~~
13 limitation,] but not limited to determining the
14 conditions under which a health professional may be
15 extended the privilege of practicing within a health
16 facility, as determined by the respective regional
17 affiliate board and consistent with corporate-wide
18 policies, and adopting and implementing reasonable
19 rules, without regard to chapter 91, for the
20 credentialing and peer review of all persons and
21 health professionals within the facility; provided
22 that regional affiliate boards shall be the governing



1 body responsible for all medical staff organization,
2 peer review, and credentialing activities to the
3 extent allowed by law;

4 (26) (A) Investing any funds not required for immediate
5 disbursement in property or in securities that
6 meet the standard for investments established in
7 chapter 88 as provided by the corporation board;
8 provided the investment assists the corporation
9 in carrying out its public purposes; selling from
10 time to time securities thus purchased and held,
11 and depositing any securities in any bank or
12 financial institution within or without the
13 State. Any funds deposited in a banking
14 institution or in any depository authorized in
15 this section shall be secured in a manner and
16 subject to terms and conditions as the
17 corporation board may determine, with or without
18 payment of any interest on the deposit,
19 including[7] without limitation[7] time deposits
20 evidenced by certificates of deposit. Any bank
21 or financial institution incorporated under the
22 laws of this State may act as depository of any



1 funds of the corporation or a regional affiliate
2 board and may issue indemnity bonds or may pledge
3 securities as may be required by the corporation
4 or regional affiliate board; provided that
5 regional affiliate boards may exercise the powers
6 under this subsection with respect to financial
7 assets of the region consistent with corporation-
8 wide policies; and

9 (B) Notwithstanding subparagraph (A), contracting with
10 the holders of any of its notes or bonds as to
11 the custody, collection, securing, investment,
12 and payment of any moneys of the corporation or
13 regional affiliate board and of any moneys held
14 in trust or otherwise for the payment of notes or
15 bonds and carrying out the contract. Moneys held
16 in trust or otherwise for the payment of notes or
17 bonds or in any way to secure notes or bonds, and
18 deposits of such moneys, may be secured in the
19 same manner as moneys of the corporation[7] or
20 regional affiliate board, and all banks and trust
21 companies are authorized to give security for the
22 deposits;



1 (27) Entering into any agreement with the State, including
2 but not limited to contracts for the provision of
3 goods, services, and facilities in support of the
4 corporation's programs~~[7]~~ or the regional affiliate
5 boards' programs, and contracting for the provision of
6 services to or on behalf of the State; provided that
7 the regional affiliate boards shall be responsible for
8 entering into agreements to provide goods, services,
9 and facilities in support of programs in their
10 respective regions consistent with corporation-wide
11 policies;

12 (28) Having a seal and altering the same at pleasure;

13 (29) Waiving, by means that the corporation or regional
14 affiliate board deems appropriate, the exemption from
15 federal income taxation of interest on the
16 corporation's or regional affiliate boards' bonds,
17 notes, or other obligations provided by the Internal
18 Revenue Code of 1986, as amended, or any other federal
19 statute providing a similar exemption;

20 (30) Developing internal policies and procedures for the
21 procurement of goods and services, consistent with the
22 goals of public accountability and public procurement



1 practices[+] and subject to chapter 103D but enjoying
2 the exemption under section 103-53(e); provided that
3 the regional affiliate boards shall be responsible for
4 developing internal policies and procedures for each
5 of their regions consistent with the corporation's
6 policies and procedures;

7 (31) Authorizing and establishing positions; provided that
8 regional affiliate boards shall be responsible for
9 hiring and firing regional and facility personnel
10 consistent with corporation policies, except a
11 regional chief executive officer shall only be hired
12 or dismissed upon the approval of the regional
13 affiliate board and the corporation board;

14 [~~(32)~~] ~~Calling upon the attorney general for such legal~~
15 ~~services as the corporation may require; and~~

16 ~~(33)]~~ (32) Having and exercising all rights and powers
17 necessary or incidental to or implied from the
18 specific powers granted in this chapter, which
19 specific powers shall not be considered as a
20 limitation upon any power necessary or appropriate to
21 carry out the purposes and intent of this chapter[+];
22 provided that the regional affiliate boards shall be



1 responsible for having and exercising all powers and
2 rights with respect to matters in their regions
3 consistent with the law; and

4 (33) Each region, through its regional affiliate board,
5 shall:

6 (A) Develop policies and procedures necessary or
7 appropriate to plan, operate, manage, and control
8 the day-to-day operations of facilities within
9 the region that are consistent with corporation-
10 wide policies;

11 (B) Exercise custodial control over and use of all
12 assets of the corporation that are located in the
13 region pursuant to this chapter; and

14 (C) Expend funds within its approved regional budget
15 and expend additional funds in excess of its
16 approved regional budget upon approval of the
17 corporation board.

18 ~~(b)~~(c) The corporation and each regional affiliate board
19 shall not be subject to chapters 36 to 38, 40, and 41D, and
20 shall enjoy the exemptions contained in sections 102-2 and
21 103-53(e), except as otherwise provided in this chapter.



1 [~~e~~](d) The duties and powers granted to the corporation
2 or any regional affiliate board may not be used to enter into
3 contractual or business relationships [~~which~~] that have the
4 practical effect of allowing or are intended to allow [~~the~~
5 ~~private sector~~] private-sector counterparts to replace existing
6 employee positions or responsibilities within the corporation,
7 regions, or its facilities; provided the corporation or regional
8 affiliate boards shall be allowed to enter into such
9 relationships to the extent and for the purposes that the
10 division of community hospitals could have done under collective
11 bargaining contracts [~~which~~] that were in effect for the 1995-
12 1996 fiscal year."

13 SECTION 22. Section 323F-8, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "**§323F-8 Chief executive officer; exempt positions.** (a)
16 The corporation board may appoint, exempt from chapter 76 and
17 section 26-35(a)(4), a chief executive officer of the
18 corporation whose salary shall be set by the corporation board.
19 The chief executive officer may also appoint up to eighteen
20 other personnel, exempt from chapters 76 and 89, to work
21 directly for the chief executive officer and the corporate
22 board.



1 (b) The corporation board or its designee may discharge
2 its exempt personnel with or without cause; provided that
3 removal without cause shall not prejudice any contract rights of
4 personnel.

5 (c) The corporation's chief executive officer or the chief
6 executive officer's designee may appoint, exempt from chapters
7 76 and 89, hospital administrators, assistant administrators,
8 directors of nursing, medical directors, and staff physicians,
9 to facilitate the management of facilities within the
10 corporation; provided that directors of nursing appointed before
11 July 1, 1998, may maintain their civil service status as
12 provided in chapter 76 by so communicating in writing to the
13 chief executive officer by October 31, 1998. Hospital
14 administrators and assistant administrators appointed before
15 July 1, 1983, may maintain their permanent civil service status
16 as provided in chapter 76.

17 (d) Hiring, firing, compensation packages, and other
18 personnel actions of employees not covered by chapter 76 and 89
19 shall be governed by policies and guidelines established by the
20 corporation.

21 (e) Upon the establishment of a regional affiliate board,
22 the authority to appoint regional hospital administrators,



1 assistant administrators, directors of nursing, medical
2 directors, and staff physicians under subsection (c) shall be
3 superseded by section 323F-B for that region. No incumbent
4 personnel shall lose a position without specific action taken by
5 the regional affiliate board."

6 SECTION 23. Section 323F-9, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "[~~f~~]**\$323F-9**[~~}]~~ **Hiring of attorneys.** The corporation and
9 regional affiliate boards may employ or retain any attorney, by
10 contract or otherwise, for the purpose of representing the
11 corporation or regional affiliate boards in any litigation,
12 rendering legal counsel [~~to~~], or drafting legal documents for
13 the corporation[~~, or drafting legal documents for the~~] or
14 regional affiliate boards."

15 SECTION 24. Section 323F-10, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "**\$323F-10 Regional public health facility management**
18 **advisory committees.** (a) On the transfer date, there shall be
19 established within the corporation for each region, a public
20 health facility management advisory committee to consist of nine
21 members initially to be appointed by the chief executive officer
22 of the corporation with the advice of the hospital



1 administrators of the facilities in the affected regions. The
2 members shall serve for a term of four years; provided that upon
3 the initial appointment of the members, two shall be appointed
4 for a term of one year, two for a term of two years, two for a
5 term of three years, and three for a term of four years.

6 Following the initial appointments by the chief executive
7 officer of the corporation board, any vacancies on a regional
8 committee shall be filled by a simple majority vote of the
9 members of the executive committee from a list of qualified
10 nominees submitted by the regional committee in which the
11 vacancy occurred. If a regional committee vacancy remains
12 unfilled for more than thirty days, that vacancy may be filled
13 by the chief executive officer of the corporation.

14 Each regional management advisory committee shall include
15 medical and health care providers, consumers, and knowledgeable
16 individuals in other appropriate areas such as business and law;
17 provided that at least one member shall be a physician with
18 active medical staff privileges at one of the region's public
19 health facilities. At least three members of the committee
20 shall be consumers.

21 The management advisory committee for the East Hawaii
22 region shall have three members who reside in the Ka'u district,



1 three members who reside in the Hamakua/North Hilo districts,
2 and three members who reside in the South Hilo/Puna districts.
3 The management advisory committee for the West Hawaii region
4 shall have not less than three members who reside in the North
5 Kohala/South Kohala districts.

6 Each regional committee shall select its own chairperson
7 and vice chairperson and shall adopt rules governing the terms
8 for removal of its chairperson from the executive management
9 advisory committee. In the event of a regional committee voting
10 to remove its chairperson who concurrently sits on the
11 corporation board, that vote shall be unanimous. In the event
12 of a regional committee voting to remove its physician member
13 from the corporation board, that vote shall also be unanimous.
14 Each regional committee may also adopt other rules as it may
15 consider necessary for the conduct of its business.

16 The members of the regional committees shall serve without
17 compensation, but shall be reimbursed for traveling expenses
18 incurred in the performance of their duties. The corporation
19 shall provide for the necessary expenses of the committees;
20 provided that no expenses may be incurred without prior
21 authorization by the chief executive officer.



1 (b) Each regional committee shall sit in an advisory
2 capacity to the chief executive officer on matters concerning
3 the formulation of regional operational and capital improvement
4 budgets, and the planning, construction, improvement,
5 maintenance, and operation of public health facilities within
6 its respective jurisdiction and shall sit in an advisory
7 capacity to the governor on matters concerning the nominees for
8 positions on the corporation board. Nothing in this section
9 shall be construed as precluding or preventing the committees
10 from coordinating their efforts and activities with the facility
11 administrators within their counties.

12 (c) Each regional committee may prepare a report for
13 inclusion with the corporation's annual report and audit, which
14 shall include but not be limited to comments and analyses on the
15 corporation's regional operational and capital improvement
16 budgets for its respective region.

17 (d) Upon the establishment of a regional affiliate board
18 for a region pursuant to section 323F-A this section shall no
19 longer apply to that region."

20 SECTION 25. Section 323F-10.5, Hawaii Revised Statutes, is
21 amended to read as follows:



1 " ~~[+]~~§323F-10.5 ~~[+]~~ **Executive public health facility**
2 **management advisory committee; establishment.** (a) There is
3 established within the corporation an executive public health
4 facility management advisory committee to consist of the
5 chairpersons of each of the five regional public health facility
6 management advisory committees. The executive committee shall,
7 through its chairperson, represent the interests of all regional
8 committees on the corporation board.

9 (b) The executive committee shall select its own
10 chairperson to serve on the corporation board and shall adopt
11 rules governing the terms of office and removal from the
12 corporation board. The executive committee shall also adopt
13 rules governing the terms of office for each of the five
14 regional committee chairpersons. The executive committee may
15 also adopt other rules as it may consider necessary for the
16 conduct of its business.

17 (c) The members of the executive committee shall serve
18 without compensation, but shall be reimbursed for reasonable
19 expenses incurred in the performance of their duties.

20 (d) Upon the establishment of a regional affiliate board
21 for a region pursuant to section 323F-A this section shall no
22 longer apply to that region."



1 SECTION 26. Section 323F-10.6, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[+]§323F-10.6[+] **Peer review and credentialing.**

4 [~~Corporation board or other committee meetings pertaining to~~
5 ~~peer review and credentialing matters shall not be subject to~~
6 ~~part I of chapter 92.~~] Peer review activities shall be subject
7 to [~~the provisions of~~] chapters 663 and 671D and all other
8 provisions and restrictions of medical peer review committees
9 established by state law."

10 SECTION 27. Section 323F-11, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "[+]§323F-11[+] **Executive branch; noninterference.**

13 Notwithstanding any other law to the contrary, the governor and
14 executive branch agencies shall limit their responsibilities to
15 that of review and oversight when the corporation or regional
16 affiliate board receives general funds from the State to
17 subsidize the operating budgets of deficit facilities. The
18 governor and executive branch agencies shall not interfere with
19 the systemic change, capacity building, advocacy, budget,
20 personnel, system plan development, or plan implementation
21 activities of the corporation. The governor and executive
22 branch agencies shall not interfere with the ability of the



1 corporation or regional affiliate board to function as a
2 multiple facility public hospital system delivering health care
3 services to the residents of the State."

4 SECTION 28. Section 323F-21, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "[~~f~~]**S323F-21**[~~f~~] **Fiscal provisions.** (a) There is created
7 in the state treasury a special fund to be known as the health
8 systems special fund, into which shall be deposited all fees,
9 proceeds, reimbursements, and the like owed to or received by
10 the corporation and its facilities, except as herein provided.
11 There shall be established within the special fund regional
12 subaccounts for each regional affiliate board upon its
13 establishment. The special fund and the regional subaccounts
14 shall be used solely to fulfill the purposes outlined in this
15 chapter.

16 The corporation and each regional affiliate board may
17 establish and maintain, within [~~its~~] the health systems special
18 fund[~~r~~] or any regional subaccount, any other accounts that may
19 be necessary and appropriate to carry out its purposes and
20 responsibilities.

21 The corporation and regional affiliate boards may provide
22 reasonable reserves for any of the following purposes:



- 1 (1) Insurance deductibles;
- 2 (2) The improvement, replacement, or expansion of [~~its~~]
3 their facilities or services;
- 4 (3) The securing of the corporation's or regional
5 affiliate boards' bonds, notes, or other instruments
6 of indebtedness; or
- 7 (4) Any other purpose [~~it~~] the corporation or regional
8 affiliate board deems necessary or appropriate in the
9 performance of [~~its~~] their purposes and
10 responsibilities.
- 11 (b) The corporation board and regional affiliate boards
12 shall collaboratively develop budgetary guidelines and annual
13 operating and capital budgets for each facility[~~r~~], taking into
14 account anticipated surpluses from or subsidies to the
15 facilities pursuant to the annual guidelines described in this
16 section, accumulated corporation and regional reserves and
17 accounts, subsidies, if any, that are determined to be needed
18 from the general fund, and other sources of corporation-wide and
19 regional income as may be identified. Two-year budgets will be
20 approved for regional affiliate boards, in alignment with State
21 of Hawaii biennium budgeting. The corporate board shall not
22 alter the two-year budget of a region except:



- 1 (1) Where state general funding is reduced;
- 2 (2) There is an emergency; or
- 3 (3) There is a renegotiated budget approved by a regional
- 4 affiliate board.

5 The corporation and regional affiliate boards shall
6 collaboratively develop budgetary guidelines, and [~~may allocate~~
7 ~~to~~] negotiate with each facility reasonable corporation
8 administrative costs, including funds determined by the
9 corporation or any regional affiliate board to be needed from or
10 provided to each facility to:

- 11 (1) Repay corporation or regional affiliate board debts;
- 12 (2) Provide subsidies to any facility determined to be
13 unable to fund from within that facility's programs
14 and services deemed essential to community needs; and
- 15 (3) Maintain appropriate reserves.

16 (c) The corporation and regional affiliate boards shall
17 collaboratively develop annual corporation operating and capital
18 budgets, taking into account anticipated surpluses from or
19 subsidies to the facilities pursuant to the annual guidelines
20 described in this section, accumulated corporation reserves and
21 accounts, subsidies, if any, that are determined to be needed



1 from the general fund, and other sources of corporation-wide
2 income as may be identified.

3 (d) Beginning with the first of the legislative biennium
4 budget years following the establishment of a regional affiliate
5 board, and for each biennium period thereafter, the corporation
6 shall call together all the regions through representatives
7 selected by each regional affiliate board, and the chairs of the
8 facility management advisory committees, if any, to determine
9 which services and functions should be provided by the
10 corporation for the next biennium budget period, consistent with
11 this chapter. As part of the biennium budgeting process, the
12 corporation board and the representatives of each region working
13 through the corporation board regional representatives, shall
14 agree upon an allocation methodology for funding the agreed upon
15 and statutorily created corporate services and functions.

16 [~~d~~](e) The corporation may share in any facility's
17 surplus and may offset any facility's deficits~~[-]~~ as provided
18 herein. Any regional affiliate board shall share in the surplus
19 of any facility within the its region and shall offset any
20 facility deficits within its region. Operating surpluses of the
21 regional affiliate board shall be reinvested in the operations
22 of that region in any prudent manner; provided that upon



1 request, and subject to authorization by the regional affiliate
2 board, the regional affiliate board may share its surplus or
3 resources with a facility outside of the region to benefit the
4 corporation-wide system of health care. Obligations undertaken
5 by a facility shall be paid only from funds of that facility,
6 unless the corporation board, the regional affiliate board
7 managing the facility, or [~~its~~] an authorized agent explicitly
8 agrees to guarantee the obligation. Loans and other transfers
9 may be made between regions upon approval of the affected
10 regional affiliate boards to assist in the cash flow and
11 operations of the public health facilities.

12 [~~e~~](f) In accordance with each annual facility budget,
13 and subject to policies established by the corporation board,
14 each facility of the corporation and regional affiliate board,
15 shall:

- 16 (1) Bill and collect for its services;
17 (2) Maintain bank accounts; and
18 (3) Pay for needed personnel, supplies, equipment, and
19 other operational and capital expenditures.

20 [~~f~~](g) The corporation and each regional affiliate
21 board, subject to policies established by the corporation and
22 each regional affiliate board, may elect to manage its own



1 capital improvement project and funds, either directly or
2 indirectly by contract; provided that annual reports of the
3 project moneys are provided to the governor and legislature.

4 (g) The corporation board regional affiliate boards may
5 hold public informational meetings on [~~its budget~~] their
6 budgets. Representatives of any county government, state
7 government, or any other person having an interest in the
8 budget, shall have the right to be heard at the meetings."

9 SECTION 29. Section 323F-22, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "[~~f~~]§323F-22[~~f~~] **Annual audit and report; disclosure of**
12 **revenue projections.** (a) The corporation shall engage a
13 certified public accountant to conduct an annual audit of its
14 financial affairs, books, and records in accordance with
15 generally accepted accounting principles. The corporation may,
16 in consultation with a regional affiliate board, permit or
17 require a regional affiliate board to retain an audit firm to
18 conduct an independent audit of the region. The corporation
19 shall submit to the governor and the legislature within one
20 hundred fifty days after the close of the corporation's fiscal
21 year, a report that shall include the audited financial report
22 for that fiscal year[~~-~~] for the corporation and each region.



1 (b) In addition to the submittal of the audit required
2 under subsection (a), the corporation, in cooperation with the
3 regional affiliate boards, shall submit a report to the
4 legislature at least twenty days prior to the convening of each
5 regular session that shall include but not be limited to:

- 6 (1) The projected revenues for each health care facility;
- 7 (2) A list of all proposed capital improvement projects
8 planned for implementation during the following fiscal
9 year; and
- 10 (3) All reports submitted by regional public health
11 facility management advisory committees pursuant to
12 section 323F-10(c).

13 (c) The regional affiliate boards shall prepare a report
14 for inclusion with the corporation's annual report and audit."

15 SECTION 30. Section 323F-23, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "[~~+~~]**§323F-23**[~~+~~] **Exemption from taxation.** The corporation
18 and each regional affiliate board shall [~~not~~] be [~~required to~~
19 ~~pay assessments~~] exempt from paying any:

- 20 (1) Assessments levied by any county[~~, nor shall the~~
21 ~~corporation be required to pay state~~]; and
- 22 (2) State taxes of any kind."



1 SECTION 31. Section 323F-24, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[~~f~~]**\$323F-24**[~~+~~] **Budget oversight.** The corporation's and
4 each regional affiliate board's operating and capital
5 improvement budgets shall not be subject to review or approval
6 by the governor or any state agency, except where state general
7 funds or capital improvement moneys are requested. If general
8 funds or capital improvement moneys are requested, then the
9 corporation or any regional affiliate board shall include with
10 its request, the proposed budget for which the funds or moneys
11 are to be included. The corporation and regional affiliate
12 boards, once operational, shall collaboratively submit [~~its~~]
13 their budgets annually to the legislature for review and
14 approval at least twenty days prior to the convening of the
15 regular legislative session, beginning with the budgets for the
16 [~~1997-1998~~] 2010-2011 biennium fiscal years."

17 SECTION 32. Section 323F-31, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) The corporation and each regional affiliate board
20 shall notify the legislature of any planned substantial
21 reduction or elimination of direct patient care services."



1 SECTION 33. (a) It is the intent of this Act that the
2 ability of the Hawaii health systems corporation to carry out
3 its mission and improve the quality and efficiency of care in
4 all of its regions will be enhanced by the delegation to
5 community-based, regional affiliate boards the custodial control
6 over the assets, personnel, services and operations of the
7 corporation located in the public health facilities, consistent
8 with system-wide planning, policies, and guidelines. Such
9 custodial control shall be delegated to the regional governing
10 boards in any region in which such boards are created within a
11 reasonable period of time following the effective date of
12 section 2 of this legislation. This Act shall be construed with
13 this intent.

14 (b) Following a transition period of no longer than one
15 year after the establishment of each regional affiliate board,
16 and by mutual agreement, the custodial control over the assets,
17 personnel, services, and operations of the Hawaii health systems
18 corporation with regard to the facilities within the region,
19 shall be transferred to the regional affiliate board, consistent
20 with system-wide planning, policies, and guidelines, and
21 applicable laws and regulations. The corporation and newly
22 established regional affiliate boards shall report to the



1 legislature within thirty days of the establishment of the newly
2 created boards. The corporation shall assist any region
3 considering such a request. Each transition shall take no
4 longer than one year, unless a longer period is mutually agreed
5 to by the corporation and the region.

6 SECTION 34. All acts passed prior to or during this
7 regular session of 2007, whether enacted before or after passage
8 of this Act shall be interpreted to conform to this Act, unless
9 the acts specifically provide that this Act is being amended.
10 In so far as this Act is inconsistent with any other law, this
11 Act shall control.

12 SECTION 35. In codifying the new sections added by section
13 2 of this Act, the reviser of statutes shall substitute
14 appropriate section numbers for the letters used in designating
15 the new sections in this Act.

16 SECTION 36. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 37. This Act shall take effect upon its approval;
19 provided that sections 2 to 33 shall take effect on July 1,
20 2008."



Report Title:

Hawaii Health Systems Corporation; Regional Affiliate Boards

Description:

Authorizes the establishment of regional affiliate boards under the Hawaii Health Systems Corporation. Establishes powers, duties, rights, and obligations of the Hawaii Health Systems Corporation and regional affiliate boards. (SB1792 HD3)

