

STAND. COM. REP. NO. 1285

Honolulu, Hawaii

March 20, 2007

RE: S.B. No. 952
S.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 952,
S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO KAHUKU HOSPITAL,"

begs leave to report as follows:

The purpose of this bill is to enable Kahuku Hospital to
continue its operations in order to serve the residents and
visitors of the north shore of Oahu.

Specifically, this measure authorizes the Hawaii Health
Systems Corporation to acquire Kahuku Hospital. Under this
measure:

- (1) None of the liabilities of Kahuku Hospital will become
liabilities of the Hawaii Health Systems Corporation;
- (2) The Hawaii Health Systems Corporation, at its
discretion, may retain any or all medical and nonmedical
employees of Kahuku Hospital and may adjust the levels
of services provided by Kahuku Hospital; and
- (3) Kahuku hospital will be exempt from the laws governing:
 - (A) Public agency meetings;
 - (B) Concessions on public property;



- (C) Tax clearances for contractors; and
- (D) Purchases of goods and services by, or on behalf of, Kahuku hospital.

This measure also appropriates an unspecified amount.

Your Committee received testimony in support of this bill from the Department of Health, the Hawaii Medical Association, the Healthcare Association of Hawaii, Leahi Hospital, UPW/AFSCME, and twenty-eight individuals. Testimony in opposition was received from the State Procurement Office.

Your Committee finds that this measure will enable Kahuku Hospital to continue its operations, preserve its hospital license, retain its certificate of need and critical access hospital designation, reorganize, and settle its debts.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 952, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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



JOSHUA B. GREEN, M.D., Chair



