

THE LEGISLATURE
THE TWENTY-FOURTH LEGISLATURE
INTERIM OF 2008

COMMITTEE ON FINANCE
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair

COMMITTEE ON WAYS AND MEANS
Sen. Rosalyn H. Baker, Chair
Sen. Shan S. Tsutsui, Vice Chair

NOTICE OF INFORMATIONAL BRIEFING

DATE: Friday, July 11, 2008
TIME: 10:00 AM – completion
PLACE: Room 325
State Capitol
415 South Beretania Street

A G E N D A

The Hawaii Health Systems Corporation (HHSC) recently informed House and Senate members that they are facing an approximately \$62 million shortfall by the end of fiscal year 2009 (June 30, 2009).

For FY 2009, HHSC will receive a general fund subsidy of \$53.6 million. Their annual expenditure for FY 2009 is estimated to be about \$400 million from their special fund.

Prior to the 2008 legislative session, HHSC requested from the Governor an emergency appropriation of \$14 million for FY 2008 and a \$57 million supplemental budget request for FY 2009. The Governor provided the emergency request, but denied the supplemental request. The Legislature provided the \$14 million emergency appropriation, but could not provide any supplemental appropriation as the Legislature reduced all state department budgets by about 4%, totaling \$45 million. HHSC was spared from the 4% budget reduction. However, in recent weeks, the Governor has announced she intends to restrict at least 4% of the subsidy provided to HHSC facilities' operations. HHSC and their regions have announced a variety of measures to address the impending revenue shortfall.

Among other issues the Joint Committee will explore are the following:

- Any impacts to services from HHSC actions to mitigate and manage their \$62 million shortfall;
- Whether HHSC can implement all their plans without Legislative approval;
- Any impacts to communities served by HHSC facilities;
- What assistance has been provided by the Governor's administration;
- Options and actions to help HHSC continue to fulfill its mission; and
- Any fiscal and management issues critical to the operation of HHSC.

For this briefing, the Joint Committee will accept public testimony on the HHSC System-Wide plans and Oahu Region plans. As noted below, additional briefings will be held on the Neighbor Islands.

Testimony should be e-mailed to the Joint Committee twenty-four hours in advance of the briefing to: testimony@capitol.hawaii.gov.

The following have been invited to participate:

Healthcare Association of Hawaii
Board of Directors, HHSC
HHSC Administration – Overview
Oahu Regional Board – Oahu plans
Office of the Governor
Hawaii Government Employees Association
United Public Workers
Public comments (which should be directed to the System-Wide and Oahu Region plans)

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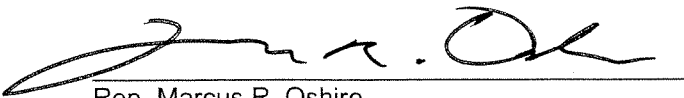
SERGEANT-AT-ARMS
HOUSE OF
REPRESENTATIVES

Information on HHSC's System-Wide and Oahu Regional plans to address their revenue shortfall may be accessed on the Capitol website at:

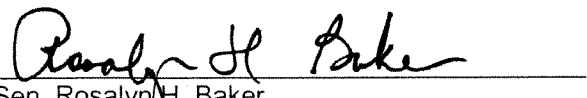
http://www.capitol.hawaii.gov/site1/docs/gettestimony.asp?query=FIN-WAM_07-11-08_HHSC

The Joint Committee will hold additional informational briefings on Kauai, Maui, East Hawaii, and West Hawaii. Plans to address HHSC's revenue shortfalls for each region will be accessible through links on the appropriate regional briefing notices.

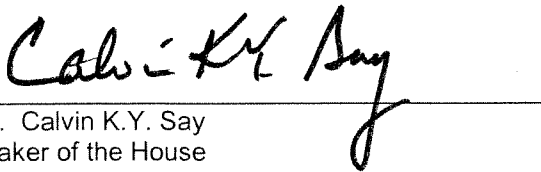
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Rep. Marcus R. Oshiro
Chair, Committee on Finance



Sen. Rosalyn H. Baker
Chair, Committee on Ways and Means



Rep. Calvin K.Y. Say
Speaker of the House



Senator Colleen Hanabusa
Senate President