

JAN 28 2009

A BILL FOR AN ACT

RELATING TO HAWAII HEALTH SYSTEMS CORPORATION.

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

1 SECTION 1. The legislature created the Hawaii health
2 systems corporation by Act 262, Session Laws of Hawaii 1996.
3 This was done for the purpose of providing quality and cost
4 effective health care for all the people in the State served by
5 the publicly owned and operated community hospital facilities.
6 One of the primary cornerstones of this landmark legislation was
7 the intent to free these facilities from burdensome, redundant,
8 and restrictive bureaucratic procedures. The legislative
9 intent, and the goal of the Hawaii health systems corporation,
10 of providing quality health care services in the remote areas of
11 the State and supporting much needed long-term care beds on Oahu
12 while seeking to reduce the need for general fund subsidy, is
13 hindered by the prohibition against the outsourcing for
14 services.

15 The purpose of this Act is to allow the Hawaii health
16 systems corporation flexibility to outsource for services when
17 appropriate in order to enhance its operational efficiency and



1 to serve as a quality focused, integrated health care system for
2 the people of Hawaii.

3 SECTION 2. Section 323F-7, Hawaii Revised Statutes, is
4 amended by amending subsection (e) to read as follows:

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

16 Notwithstanding any other law to the contrary, including but not
17 limited to any applicable civil service law, collective
18 bargaining law, laws governing the Hawaii health systems
19 corporation, customary or historical past practices, or the fact
20 that the services hereinafter described may have been performed
21 by persons or positions in civil service, the corporation board
22 and the regional system boards may enter into a contract with a



1 private or federal, or state or county government entity to
2 obtain services therefrom, including services provided in
3 conjunction with the procurement of goods or construction,
4 provided that a determination is made regarding the
5 sustainability of the provision of services by the outside
6 entity, and there is reasonable basis to believe that the
7 service of equivalent or better quality than that which could be
8 provided by its employees can be provided by an outside entity
9 at lower cost.

10 The determination shall be made by the corporation board
11 for corporate outsourcing, the regional system board for
12 regional outsourcing, and the corporation board and the
13 applicable regional system boards for multi-regional
14 outsourcing; provided that:

15 (1) The general administration and the responsibility for
16 the proper implementation of the outsourcing program
17 shall be vested in the regional system board for
18 outsourcing by the regional system, in the corporation
19 board for outsourcing by the corporation, and for
20 outsourcing involving multiple regions, in the
21 corporation board and regional system boards of the
22 regions involved in the outsourcing;



1 (2) In making the determination required pursuant to this
2 section, the corporation board and the regional system
3 boards shall make reasonable efforts to minimize or
4 avoid the adverse effects of an agency's decision to
5 secure needed services from outside entity
6 contractors. The public procurement process shall be
7 applied in awarding a contract to an outside entity,
8 to assure the transparency of the process, and also to
9 assure proper public notice as necessary to allow full
10 negotiation of any adverse impact on a case by case
11 basis; and

12 (3) This section on outsourcing preempts and supersedes
13 all other state law with regard to determining whether
14 services, including services obtained in conjunction
15 with the procurement of goods and construction, should
16 be provided exclusively by the employees of the
17 corporation or any of the regional systems, or
18 obtained through contracts with an outside entity.

19 For purposes of this section "private entity" means any
20 individual, company, or organization that is not an employee or
21 agency within the federal, state, or county government."



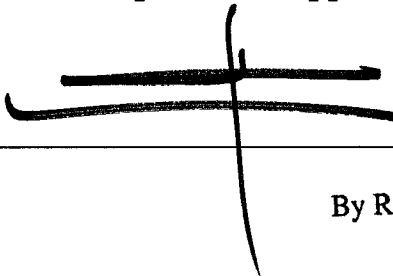
1 SECTION 3. All acts passed prior to or during this regular
2 session of 2008, whether enacted before or after passage of this
3 Act shall be interpreted to conform to this Act, unless the acts
4 specifically provide that this Act is being amended. In so far
5 as this Act is inconsistent with any other law, this Act shall
6 control.

7 SECTION 4. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 5. This Act shall take effect upon its approval.

10

INTRODUCED BY:



By Request



Report Title:

Hawaii Health Systems Corporation; Outsource of Services

Description:

Authorizes Hawaii health systems corporation to out source for services.

