

STAND. COM. REP. NO.

1299

Honolulu, Hawaii

APR 09 2009

RE: H.B. No. 694
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 694, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION,"

begs leave to report as follows:

The purpose of this measure is to authorize any of the regional systems or individual facilities of the Hawaii Health Systems Corporation (Corporation) to transition into a new legal entity.

This measure further requires:

- (1) Each regional system board and each community hospital under the jurisdiction of the Corporation to collaborate with community health centers within their respective geographic jurisdictions to maximize funding from the State and federal governments;
- (2) Any plan to substantially reduce or eliminate any direct patient care services at a facility to be presented first to the regional system board for approval and then to the community at an informational hearing to gather input;
- (4) The Corporation and each regional system board to notify the President of the Senate, the Speaker of the House of Representatives, and Chairperson of the respective



subject matter committee for health in each chamber of the Legislature within thirty days of any substantial reduction or elimination of direct patient care services;

- (5) The Department of Health, on July 1, 2009, to assume the total amount of all liabilities and debts or other obligations of the Hawaii Health Systems Corporation that had been accrued up to June 30, 1996, by the community hospitals while they were operating within the Division of Community Hospitals of the Department of Health;
- (6) The Hawaii Health Systems Corporation to bear the sole responsibility for assuming all liabilities and debts or other obligations accrued beginning on July 1, 1996, and thereafter, by the community hospitals operating within the Hawaii Health Systems Corporation; and
- (7) Commercial health plans to provide a minimum reimbursement level of no less than one hundred and one per cent of the costs for all services provided to plan beneficiaries by critical access hospitals.

This measure also requires the Hawaii Health Systems Corporation to bear sole responsibility for making all appropriate employer payments into funds of the Employees' Retirement System beginning on July 1, 1996. Finally, the measure authorizes the Corporation to conduct criminal history record checks for its employees, contractors, providers, and volunteers.

Your Committee received five written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to rectify flaws in the basic operating structure of public health facilities that are critical for the continued health and well being of all residents of the State.

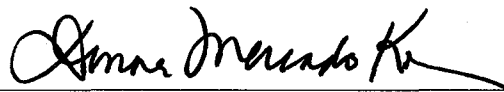
Your Committee has made technical amendments for the purposes of accuracy, consistency, and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your



Committee is in accord with the intent and purpose of H.B. No. 694, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 694, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,




DONNA MERCADO KIM, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 694 SBI	HTH, WAM	APRIL 6 2009		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol				/
GALUTERIA, Brickwood	/			
HEE, Clayton	/			
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
TOTAL	11			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes