



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

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**The Twenty-Fifth Legislature, State of Hawaii**  
**Hawaii State House of Representatives**  
**Committee on Health**

**Testimony by**  
**Hawaii Government Employees Association**  
**February 27, 2009**

**H.B. 694 – RELATING TO THE HAWAII**  
**HEALTH SYSTEMS CORPORATION**

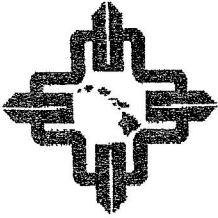
The Hawaii Government Employees Association opposes the purpose and intent of H.B. 694. The bill, as drafted, would authorize the Hawaii Health Systems Corporation (HHSC) and the Maui Regional System Board to remove the Maui Regional Health Care System and its facilities from HHSC by transferring these to a legal entity that will finance and continue to provide health care services to Maui.

A better alternative is H.B.1372. Although still a work in progress, it offers the opportunity for the various stakeholders to participate in developing a new organizational structure that will improve operations and achieve greater efficiencies. The HGEA is committed to improving the bill as it moves through the legislative process.

Thank you for the opportunity to express our opposition to H.B. 694.

Respectfully submitted,

Nora A. Nomura  
Deputy Executive Director



**HAWAII HEALTH SYSTEMS**  
C O R P O R A T I O N

*"Touching Lives Every Day"*

**The House of Representatives**  
**Committee on Finance**  
**Representative Marcus R. Oshiro, Chair**  
**Representative Marilyn B. Lee, Vice Chair**

Friday, February 27, 2009  
2:00 PM.  
Conference Room 308  
Hawaii State Capitol

**HB 694 Relating to the Hawaii Health Systems Corporation**  
*Authorizes Hawaii Health Systems Corporation (HHSC) and Maui Regional System Board to remove the Maui Regional Health Care System and its facilities from HHSC by transferring regional assets to a legal entity which will finance and continue to provide health care services to Maui*

Thomas M. Driskill, Jr.  
President and Chief Executive Officer  
Hawaii Health Systems Corporation (HHSC)

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporation Board of Directors, thank you for the opportunity to provide comments on HB 694 which would authorize Hawaii Health Systems Corporation and Maui Regional System Board to remove the Maui Regional Health Care System and its facilities from HHSC by transferring regional assets to a legal entity which will finance and continue to provide health care services to Maui. We support the intent of legislation enabling HHSC Regions to transition into new appropriate entities but do not think HB 694 is the appropriate vehicle for this.

Our HHSC Corporate Board of Directors supports the passage of HB 1372 to authorize a facility or regional health care system under HHSC to transition into a new legal entity, including a nonprofit or for-profit corporation, municipal facility, or other such corporate entity. In light of the growing financial and structural challenges that the community-hospital system has been undergoing since its establishment in 1996, HB 1372 provides the HHSC regions and facilities an additional option to respond effectively to the changing health care needs of their island communities. HB 1372 seeks restructure options that would enable HHSC regions and facilities to consider entering into various forms of

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public / private partnerships while at the same time remaining part of a system or a "federated" system of HHSC related healthcare facilities. Since we have taken the position that the State can no longer financially underwrite the escalating cost of healthcare for the communities we serve, it is essential that we look for new innovative ways to involve private partnerships in the provision of care.

The HHSC Corporate Board and corporate management are committed to working collaboratively with each of its five regions when they are ready to ensure a smooth transitioning process for any facility or regional restructuring that may be undertaken as a result of this Bill.

Your support for HB 1372 is greatly appreciated. Thank you.