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WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEES ON HEALTH AND LABOR
ON
SENATE BILL NO. 44

February 13, 2009

RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION

Senate Bill No. 44 requires the Department of Health to assume all community hospital liabilities accrued up to June 30, 1996; requires that the Hawaii Health Systems Corporation assume all subsequent liabilities; and clarifies that the Hawaii Health Systems Corporation is responsible for payments into the employee's retirement system fund for its employees.

While we understand the desire to assist the Hawaii Health Systems Corporation, we are opposed to this bill.

It is unclear what is meant by "the total amount of all liabilities and debts or other obligations" that the Department of Health shall assume on behalf of Hawaii Health Systems Corporation. Because there is no definition of what constitutes the liabilities and debt, it is assumed that the liabilities could be significant as there are no limitations contained in the bill.

In light of the grave financial situation facing the State, we ask that any bill with a potential to impose additional requirements on the general fund be held.