

JAN 23 2009

A BILL FOR AN ACT

RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION.

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

1 SECTION 1. (a) The Hawaii health systems corporation
2 under chapter 323F, Hawaii Revised Statutes, shall make a filing
3 under section 414D-3, Hawaii Revised Statutes, to become a
4 Hawaii nonprofit corporation no later than July 1, 2010.

5 (b) Upon satisfaction of filing to become a Hawaii
6 nonprofit corporation under subsection (a), all assets of the
7 Hawaii health systems corporation shall be deemed transferred to
8 the newly formed Hawaii nonprofit corporation; provided that no
9 liabilities shall be transferred in the process.

10 (c) The newly formed Hawaii nonprofit corporation pursuant
11 to this section:

12 (1) Shall continue to operate all of the facilities
13 operated by the Hawaii health systems corporation as
14 of the effective date of the filing under section
15 414D-6, Hawaii Revised Statutes;

16 (2) The State shall continue to hold title to land and
17 facilities occupied by the Hawaii health systems



1 corporation as of the date of filing under section
2 414D-6, Hawaii Revised Statutes;

3 (3) The State shall lease land and facilities under
4 paragraph (2) to the newly formed Hawaii nonprofit
5 corporation for a period of seventy-five years at a
6 rate of \$1 per year, subject to reasonable terms and
7 conditions as may be required by the State; and

8 (4) Pending the transition period between this Act and the
9 filing under subsection (a), chapter 323F, Hawaii
10 Revised Statutes, shall continue to apply; provided
11 that upon becoming a Hawaii nonprofit corporation,
12 specific provisions of chapter 323F, Hawaii Revised
13 Statutes, shall apply, as appropriate, to the newly
14 formed Hawaii nonprofit corporation.

15 SECTION 2. All rights, powers, functions, and duties of
16 the Hawaii health systems corporation are transferred to the
17 newly formed Hawaii nonprofit corporation under this Act.

18 All officers and employees whose functions are transferred
19 by this Act shall be transferred with their functions and shall
20 continue to perform their regular duties upon their transfer,
21 subject to the state personnel laws and this Act.



1 No officer or employee of the State having tenure shall
2 suffer any loss of salary, seniority, prior service credit,
3 vacation, sick leave, or other employee benefit or privilege as
4 a consequence of this Act, and such officer or employee may be
5 transferred or appointed to a civil service position without the
6 necessity of examination; provided that the officer or employee
7 possesses the minimum qualifications for the position to which
8 transferred or appointed; and provided that subsequent changes
9 in status may be made pursuant to applicable civil service and
10 compensation laws.

11 An officer or employee of the State who does not have
12 tenure and who may be transferred or appointed to a civil
13 service position as a consequence of this Act shall become a
14 civil service employee without the loss of salary, seniority,
15 prior service credit, vacation, sick leave, or other employee
16 benefits or privileges and without the necessity of examination;
17 provided that such officer or employee possesses the minimum
18 qualifications for the position to which transferred or
19 appointed.

20 If an office or position held by an officer or employee
21 having tenure is abolished, the officer or employee shall not
22 thereby be separated from public employment, but shall remain in



1 the employment of the State with the same pay and classification
2 and shall be transferred to some other office or position for
3 which the officer or employee is eligible under the personnel
4 laws of the State as determined by the head of the department or
5 the governor.

6 SECTION 3. All appropriations, records, equipment,
7 machines, files, supplies, contracts, books, papers, documents,
8 maps, and other personal property heretofore made, used,
9 acquired, or held by the Hawaii health systems corporation
10 relating to the functions transferred to the newly formed Hawaii
11 nonprofit corporation under this Act shall be transferred with
12 the functions to which they relate.

13 SECTION 4. This Act shall take effect upon its approval.

14

INTRODUCED BY: *John Green*



Report Title:

Hawaii Health Systems Corporation; Nonprofit Corporation

Description:

Restructures Hawaii's health care safety net to provide for affordable and accessible quality health care.

