
A BILL FOR AN ACT

RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION.

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

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PART I

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SECTION 1. Notwithstanding any provision to the contrary

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in chapter 323F, Hawaii Revised Statutes, the Hawaii health

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systems corporation and Maui regional system board, for the

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purpose of removing the Maui regional health care system from

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the Hawaii health systems corporation, may sell, assign, or

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otherwise transfer title or interest in any or all assets of the

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Hawaii health systems corporation within the custody of the Maui

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regional system board pursuant to section 343F-(7)(c)(18),

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Hawaii Revised Statutes, or used by the Maui regional health

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care system in the normal course of its operations to deliver

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health care services; provided that:

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(1) The transfer shall be to a legally constituted entity;

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(2) The legally constituted entity shall be legally and

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financially capable, independent of the Hawaii health

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systems corporation, of continuing to provide the same

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level of health care services currently provided by the



1 Maui regional health care system, for not less than
2 years after the transfer;

3 (3) The transfer shall relieve the Hawaii health systems
4 corporation of all debts, obligations, and liabilities
5 of the Maui regional health care system, to the
6 reasonable satisfaction of the Hawaii health systems
7 corporation; and

8 (4) The transfer shall become effective on July 1, 2010.

9 PART II

10 SECTION 2. Section 323F-2, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) The corporate organization shall be divided into
13 [~~five~~] four regional systems, as follows:

14 (1) The Oahu regional health care system;

15 (2) The Kauai regional health care system;

16 [~~(3) The Maui regional health care system;~~

17 ~~(4)]~~ (3) The east Hawaii regional health care system,
18 comprising the Puna district, north Hilo district,
19 south Hilo district, Hamakua district, and Kau
20 district; and

21 [~~(5)]~~ (4) The west Hawaii regional health care system,
22 comprising the north Kohala district, south Kohala



1 district, north Kona district, and south Kona
2 district;
3 and shall be identified as regional systems I, II, III, and IV,
4 [~~and V,~~] respectively."

5 SECTION 3. Section 323F-3, Hawaii Revised Statutes, is
6 amended by amending subsections (a) and (b) to read as follows:

7 "(a) The corporation shall be governed by a [~~fifteen-~~
8 ~~member~~] thirteen-member board of directors that shall carry out
9 the duties and responsibilities of the corporation other than
10 those duties and responsibilities relating to the establishment
11 of any captive insurance company pursuant to section [+]323F-
12 7(c)(20) [+] and the operation thereof.

13 (b) [~~Twelve~~] Ten members of the corporation board shall be
14 appointed as follows:

15 (1) Two members from regional system I who reside in the
16 city and county of Honolulu shall be appointed by the
17 governor from a list consisting of four individuals,
18 two individuals submitted by the speaker of the house
19 of representatives and two individuals submitted by
20 the president of the senate within fifteen days of
21 July 1, 2007; provided that this list shall not
22 include physicians;



1 (2) Two members from regional system II who reside in the
2 county of Kauai shall be appointed by the governor
3 from a list consisting of four individuals, two
4 individuals submitted by the speaker of the house of
5 representatives and two individuals submitted by the
6 president of the senate within fifteen days of July 1,
7 2007; provided that this list shall not include
8 physicians;

9 ~~[(3) Two members from regional system III who reside in the~~
10 ~~county of Maui shall be appointed by the governor from~~
11 ~~a list consisting of four individuals, two individuals~~
12 ~~submitted by the speaker of the house of~~
13 ~~representatives and two individuals submitted by the~~
14 ~~president of the senate within fifteen days of July 1,~~
15 ~~2007; provided that this list shall not include~~
16 ~~physicians;~~

17 ~~(4)]~~ (3) Two members from regional system [IV] III who
18 reside in the eastern section of the county of Hawaii
19 shall be appointed by the governor from a list
20 consisting of four individuals, two individuals
21 submitted by the speaker of the house of
22 representatives and two individuals submitted by the

1 president of the senate within fifteen days of July 1,
2 2007; provided that this list shall not include
3 physicians;

4 ~~[(5)]~~ (4) Two members from regional system ~~[V]~~ IV who
5 reside in the western section of the county of Hawaii
6 shall be appointed by the governor from a list
7 consisting of four individuals, two individuals
8 submitted by the speaker of the house of
9 representatives and two individuals submitted by the
10 president of the senate within fifteen days of July 1,
11 2007; provided that this list shall not include
12 physicians; and

13 ~~[(6)]~~ (5) Two additional members who reside in the ~~[State]~~
14 state shall be appointed by the governor.

15 The ~~[thirteenth]~~ eleventh and ~~[fourteenth]~~ twelfth members,
16 who shall serve as voting members, shall be physicians with
17 active medical staff privileges at one of the corporation's
18 public health facilities. The physician members shall each
19 serve a term of two years. The initial physician members shall
20 be from regional system II, and subsequent physician members
21 shall come from regional systems ~~[IV, III, and V]~~ III and IV,
22 respectively. The physician member positions shall continue to



1 rotate in this order. The physician members shall be appointed
2 to the corporation board by a two-thirds majority vote of the
3 corporation board from a list of qualified nominees submitted by
4 the public health facility management advisory committees or by
5 any regional system board. If for any reason a physician member
6 is unable to serve a full term, the remainder of that term shall
7 be filled by a physician from the same regional system.

8 The [~~fifteenth~~] thirteenth member shall be the director of
9 health or the director's designee, who shall serve as an ex
10 officio, voting member.

11 Appointments to the corporation board, with the exception
12 of the chairperson of the executive public health facility
13 management advisory committee and the regional physician member,
14 shall be made by the governor, subject to confirmation by the
15 senate pursuant to section 26-34.

16 The appointed board members shall serve for a term of four
17 years; provided that the first member appointed from each
18 regional system shall be appointed for a term of two years.

19 Any vacancy shall be filled in the same manner provided for
20 the original appointments. The corporation board shall elect
21 its own chair from among its members. Appointments to the



1 corporation board shall be as representative as possible of the
2 system's stakeholders as outlined in this subsection."

3 PART III

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

6 SECTION 5. This Act shall take effect upon its approval;
7 provided that Part II shall take effect on July 1, 2010.

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INTRODUCED BY:

<u>Mele Carroll</u>	<u>[Signature]</u>
<u>Alvin D. Smith II</u>	<u>Cindy Evans</u>
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Report Title:

HHSC; Maui Regional Health Care System Transfer

Description:

Authorizes 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 regional assets to a legal entity which will finance and continue to provide health care services to Maui.

