

JAN 29 2010

SENATE CONCURRENT RESOLUTION

URGING THE HAWAII HEALTH SYSTEMS CORPORATION TO ADOPT THE COURSE
OF ACTION RECOMMENDED IN THE 2009 AUDIT REPORT OF THE
HAWAII HEALTH SYSTEMS CORPORATION.

1 WHEREAS, the Hawaii Health Systems Corporation, a network
2 of thirteen facilities spanning five islands across the State,
3 is one of the largest public hospital systems in the nation; and
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5 WHEREAS, the 400,000 annual patients served by the Hawaii
6 Health Systems Corporation are an aging, disproportionately
7 poor, sick, and underserved population that is expected to grow
8 by seventeen percent by 2017; and
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10 WHEREAS, the Hawaii Health Systems Corporation has
11 experienced unprecedented fiscal challenges that has led to an
12 immense and unsustainable reliance on annual subsidies that
13 total \$649.2 million since Hawaii Health Systems Corporation was
14 established fifteen years ago; and
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16 WHEREAS, the State does not have the fiscal capacity to
17 continue funding the Hawaii Health Systems Corporation at its
18 current elevated level; and
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20 WHEREAS, Act 182, Session Laws of Hawaii 2009, mandated an
21 annual audit of the management and operations of the Hawaii
22 Health Systems Corporation, its regional system boards, and its
23 facilities; and
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25 WHEREAS, the audit completed pursuant to Act 182 finds that
26 the Hawaii Health Systems Corporation is in a financially
27 perilous condition and that the age and condition of its
28 facilities and other physical assets are well above national
29 averages that prompt serious concerns as to the health and
30 safety of Hawaii's public hospital network; and
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32 WHEREAS, the audit finds that incremental change is
33 insufficient to address the Hawaii Health Systems Corporation's

1 short and long term challenges and that immediate, system-wide
2 restructuring of the Hawaii Health Systems Corporation is
3 recommended; now, therefore,
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5 BE IT RESOLVED by the Senate of the Twenty-fifth
6 Legislature of the State of Hawaii, Regular Session of 2010, the
7 House of Representatives concurring, that the Hawaii Health
8 Systems Corporation is urged to adopt the recommendations of the
9 December 2009 Comprehensive, Independent Review and Evaluation
10 of the Hawaii Health Systems Corporation Final Report as
11 completed by Stroudwater Associates in accordance with Act 182,
12 Session Laws of Hawaii 2009; and
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14 BE IT FURTHER RESOLVED that the Hawaii Health Systems
15 Corporation is directed to draft and submit legislation to the
16 2011 Hawaii State Legislature that is based on the findings of
17 the audit report, which will include but not be limited to the
18 following:
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20 (1) Converting the Hawaii Health Systems Corporation to a
21 private non-profit 501(c)(3) corporation;
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23 (2) Identifying a capital and operating partner;
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25 (3) Maximizing operational efficiencies within each region
26 and facility; and
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28 (4) Reconstituting the Hawaii Health Systems Corporation
29 governance and leadership structure; and
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31 BE IT FURTHER RESOLVED that certified copies of this
32 Concurrent Resolution be transmitted to the Director of Health,
33 Director of Budget and Finance, President of the Hawaii Health
34 Systems Corporation, Chairperson of the Hawaii Health Systems
35 Corporation Board of Directors, Chairperson of each regional
36 system board of directors, and the Hawaii Health Systems
37 Corporation Physician Leaders Group.
38

39 OFFERED BY: _____
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41
42 BY REQUEST