

JAN 21 2011

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) No later than January 1, 2012, the board
2 of directors of the Hawaii health systems corporation shall
3 develop an action plan for converting the Hawaii health systems
4 corporation into a private nonprofit tax-exempt organization by
5 July 1, 2012.

6 (b) The action plan shall include but not be limited to
7 the following information and analyses:

- 8 (1) Legal and tax requirements of converting to a tax-
9 exempt nonprofit organization;
- 10 (2) Identification of effective corporate governance and
11 management structure;
- 12 (3) Identification of a robust financial structure and
13 long-term performance plan;
- 14 (4) Estimated conversion and re-capitalization costs and
15 strategies for financing;
- 16 (5) Development of a detailed business plan, including pro
17 forma financials and cash flow;



1 (6) Provisions for employee salaries and benefits,
2 including retirement plans, health insurance, and paid
3 time off;

4 (7) Identification and evaluation of operational
5 efficiencies; and

6 (8) Identification of efficiencies of scale and associated
7 savings.

8 (c) The board of directors of the Hawaii health systems
9 corporation shall submit a report on an action plan to convert
10 Hawaii health systems corporation into a private, non-profit
11 corporation, including any necessary legislation, to the
12 legislature no later than twenty days prior to the convening of
13 the regular session of 2012.

14 SECTION 2. This Act shall take effect upon its approval.

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INTRODUCED BY:

Melanie Pua
James H. Han
James Inezade K.
Gilbert Kebele
Michelle Kelani



Report Title:

Hawaii Health Systems Corporation; Nonprofit Entity

Description:

Directs the board of directors of HHSC to develop an action plan for converting to a tax-exempt nonprofit entity by 07/01/12.

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