
A BILL FOR AN ACT

RELATING TO HEALTH.

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

1 SECTION 1. The legislature finds that the Hawaii health
2 systems corporation is the fourth largest public hospital system
3 in the nation and operates public health care facilities that
4 provide essential safety-net hospital and long-term care
5 services throughout the State. Due to the rapid changes taking
6 place in the health care industry and the impending
7 implementation of national health care reform, the legislature
8 acknowledges that the corporation's governing board of directors
9 must have the appropriate flexibility and autonomy needed for
10 the community hospitals to compete and remain viable.

11 Currently, the board includes the five regional chief
12 executive officers serving as ex officio, voting members. The
13 regional chief executive officers have been instrumental in
14 bringing additional expertise to the board during the time of
15 transition from a single corporation board to a multi-level
16 board system. In light of the successful establishment of the
17 regional system boards, the significant challenges imposed by an
18 ever-changing and complex health care environment, the time



1 required to serve on the corporate board, and the desire for
2 additional community participation, the legislature finds it
3 appropriate to replace the regional chief executive officers on
4 the board with community members from each of the regional
5 systems. The regional chief executive officers will continue to
6 participate in the corporation's board meetings, along with the
7 president and chief executive officer, as invited staff.

8 In addition, the director of health is currently an ex
9 officio, nonvoting member of the board. In order to increase
10 the active participation of the administration and further the
11 implementation of public health policies, it is critical that
12 the director of health be given voting rights. Adding an
13 additional member, to be appointed by the governor and serve as
14 an at-large member, will create an uneven number of board
15 members for voting purposes.

16 The purpose of this Act is to affirm the State's commitment
17 to provide quality health care for the people of our State, by
18 amending the corporation's board structure in line with
19 considerations consistent with the provisions of Act 290,
20 Session Laws of Hawaii 2007, and Act 182, Session Laws of Hawaii
21 2009, while improving the accountability and sustainability of
22 the health system. The proposed amendments will build on the



1 excellent progress made by the regional systems to coordinate
2 service delivery and improve the health of the island
3 communities. The corporation's new board structure will support
4 clear and consistent roles for all regional systems and create a
5 more balanced multi-board tiered system. Equally important, the
6 amendments will create an opportunity for more participation on
7 the board by community members, and enable them to strengthen
8 the board's focus on quality care and services responsive to the
9 needs of their communities. The amendments will enable the
10 health system to move forward as a region-focused health system,
11 thereby advancing the delivery of health care services,
12 improving flexibility, and promoting collaboration with other
13 health service organizations.

14 SECTION 2. Section 323F-3, Hawaii Revised Statutes, is
15 amended by amending subsections (a) and (b) to read as follows:

16 "(a) The corporation shall be governed by a [~~twelve-~~
17 ~~member]~~ thirteen-member board of directors that shall carry out
18 the duties and responsibilities of the corporation other than
19 those duties and responsibilities relating to the establishment
20 of any captive insurance company pursuant to section 323F-
21 7(c)(20) and the operation thereof.



- 1 (b) The members of the corporation board shall be
- 2 appointed as follows:
- 3 (1) The director of health as an ~~[ex-officio, nonvoting]~~
- 4 ex officio voting member;
- 5 ~~[-(2) The five regional chief executive officers as ex-~~
- 6 ~~officio, voting members; and~~
- 7 ~~-(3) Two]~~ (2) Three members who reside in the county of
- 8 Maui who shall be appointed by the Maui regional
- 9 system board;
- 10 ~~[-(4) One member]~~ (3) Two members who ~~[resides]~~ reside in
- 11 the eastern section of the county of Hawaii who shall
- 12 be appointed by the East Hawaii regional system board;
- 13 ~~[-(5) One member]~~ (4) Two members who ~~[resides]~~ reside in
- 14 the western section of the county of Hawaii who shall
- 15 be appointed by the West Hawaii regional system board;
- 16 (5) One member who shall be appointed by the governor, and
- 17 serve as an at-large member;
- 18 (6) ~~[One member]~~ Two members who ~~[resides]~~ reside on the
- 19 island of Kauai who shall be appointed by the Kauai
- 20 regional system board; and
- 21 (7) ~~[One member]~~ Two members who ~~[resides]~~ reside on the
- 22 island of Oahu who shall be appointed by the Oahu



1 regional system board.

2 The appointed board members residing in the county of Maui,
3 the eastern section of the county of Hawaii, the western section
4 of the county of Hawaii, the county of Kauai, and the city and
5 county of Honolulu shall serve for a term of four years;
6 provided that the terms of the initial appointments shall be as
7 follows: one of the initial members from the county of Maui
8 shall be appointed to serve a term of two years and the other
9 shall be appointed to serve a term of four years; the initial
10 member from East Hawaii shall be appointed to serve a term of
11 two years; the initial member from West Hawaii shall be
12 appointed to serve a term of four years; the initial member from
13 the island of Kauai shall be appointed to serve a term of two
14 years; and the initial member from the island of Oahu shall be
15 appointed to serve a term of four years. The at-large member
16 appointed by the governor shall serve a term of two years.

17 Any vacancy shall be filled in the same manner provided for
18 the original appointments. The corporation board shall elect
19 its own chair from among its members. Appointments to the
20 corporation board shall be as representative as possible of the
21 system's stakeholders as outlined in this subsection."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on July 1, 2011.

4



Report Title:

Hawaii Health Systems Corporation; Board of Directors

Description:

Amends the corporation board composition to change the membership from twelve to thirteen members; gives voting rights to the ex officio director of health member; replaces the five regional chief executive officer ex officio voting members with community members from the respective regional system board region; adds an at-large member appointed by the governor.
(SD1)

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