



GOV. MSG. NO. 1384

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

July 06, 2012

The Honorable Shan Tsutsui, President
and Members of the Senate
Twenty-Sixth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Calvin Say, Speaker
and Members of the House
Twenty-Sixth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on July 06, 2012, the following bill was signed into law:

HB609 HD2 SD2 CD1

RELATING TO HEALTH.
Act 281 (12)

Aloha
Sincerely,
Neil Abercrombie

NEIL ABERCROMBIE
Governor, State of Hawaii

Approved by the Governor

ORIGINAL

on JUL 6 2012

ACT 281

HOUSE OF REPRESENTATIVES
TWENTY-SIXTH LEGISLATURE, 2011
STATE OF HAWAII

H.B. NO. 609
H.D. 2
S.D. 2
C.D. 1

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 there is a shortage
2 of long-term care beds in many areas of the State, including
3 Oahu. This shortage has placed an undue burden on acute care
4 hospitals that are experiencing a long list of patients who are
5 awaiting placement in a long-term care bed. The waitlist
6 problem presents quality of care issues for both patients who
7 are awaiting long-term care beds and patients who need acute
8 care beds.

9 The closing of Hawaii Medical Center further exacerbated
10 the shortage by eliminating a large number of available long-
11 term care beds along with the elimination of other needed
12 services. Furthermore, the number and types of beds eliminated
13 by the closing of Hawaii Medical Center could not be fully
14 absorbed by the existing facilities in the State.

15 Hawaii health systems corporation, the fourth largest
16 public hospital system in the nation, operates public health
17 care facilities that provide essential safety-net hospital and



1 long-term care services throughout the State. The legislature
2 further finds that Leahi hospital, a facility of the Hawaii
3 health systems corporation, can help alleviate the shortage of
4 long-term care beds, but needs major renovation.

5 Accordingly, the legislature finds that it is in the public
6 interest to establish a public-private partnership between the
7 owners of the facility previously known as Hawaii Medical
8 Center-East, located on Liliha street in Honolulu, and the
9 Hawaii health systems corporation, to provide long-term care and
10 other health care services in the State.

11 The purpose of this Act is to provide for the health care
12 needs of the community by authorizing the Hawaii health systems
13 corporation to bring the Hawaii Medical Center-East facility
14 under its governance through formal affiliation or acquisition.

15 SECTION 2. Chapter 323F, Hawaii Revised Statutes, is
16 amended by adding a new section to part III to be appropriately
17 designated and to read as follows:

18 "§323F- Hawaii Medical Center-East; affiliation;
19 acquisition. (a) Hawaii Medical Center-East on Oahu may be
20 assimilated into the corporation by negotiation between the

1 corporation and the owners of Hawaii Medical Center-East.
2 Assimilation may be accomplished with the creation of a new
3 entity, a partnership, a long-term lease, or any other vehicle
4 determined to be in the best interests of the public by the
5 corporation board and as negotiated with the owners of Hawaii
6 Medical Center-East. After assimilation, Hawaii Medical Center-
7 East shall be operated by the corporation, either directly,
8 through contractors, or through a subsidiary.

9 (b) None of the liabilities of Hawaii Medical Center-East
10 shall become liabilities of the corporation.

11 (c) Hawaii Medical Center-East, once assimilated, shall be
12 exempt from chapter 102 and section 103-53, and its board of
13 directors, if any, shall be exempt from part I of chapter 92.

14 (d) The purchase of goods and services by or on behalf of
15 Hawaii Medical Center-East, after assimilation, shall be exempt
16 from chapters 103D and 103F.

17 (e) Assimilation of Hawaii Medical Center-East into the
18 Hawaii health systems corporation shall be exempt from part VII
19 of chapter 323D.

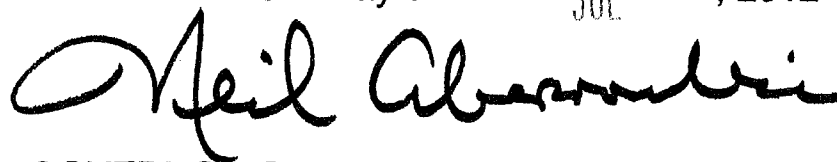


1 (f) As used in this section, "Hawaii Medical Center-East"
2 means the facility previously known as Hawaii Medical Center-
3 East located on Liliha street on the island of Oahu."

4 SECTION 3. New statutory material is underscored.

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

APPROVED this 6 day of JUL, 2012



GOVERNOR OF THE STATE OF HAWAII

