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# 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.



**Report Title:**

Hawaii Health Systems Corporation; Hawaii Medical Center-East

**Description:**

Authorizes the assimilation of Hawaii Medical Center-East into the Hawaii Health Systems Corporation. (HB609 CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

