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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 problem by eliminating a large number of long-term  
11 care beds that had been available, along with the elimination of  
12 other needed services. Furthermore, the number and types of  
13 beds eliminated by the closing of Hawaii Medical Center cannot  
14 be fully absorbed by existing facilities.

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  
18 long-term care services throughout the State. The legislature



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

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

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

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

17 **"§323F- Hawaii Medical Center-East; affiliation;**  
18 **acquisition.** (a) The Hawaii Medical Center-East on Oahu may be  
19 assimilated into the Hawaii health systems corporation by  
20 negotiation between the corporation and the owners of the Hawaii  
21 Medical Center-East. Assimilation may be accomplished with the  
22 creation of a new entity, a partnership, a long-term lease, or



1 any other vehicle determined to be in the best interests of the  
2 public by the corporation board and as negotiated with the  
3 owners of the Hawaii Medical Center-East. After assimilation,  
4 Hawaii Medical Center-East shall be operated by the corporation,  
5 either directly, through contractors, or through a subsidiary.

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

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

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

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

18 SECTION 3. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$ or so  
20 much thereof as may be necessary for fiscal year 2012-2013 to  
21 carry out the purposes of this Act, including the hiring or  
22 contracting of staff.



1           The sum appropriated shall be expended by the Hawaii health  
2 systems corporation for the purposes of this Act.

3           SECTION 4.   New statutory material is underscored.

4           SECTION 5.   This Act shall take effect on July 1, 2050.



**Report Title:**

HHSC; Hawaii Medical Center-East; Appropriation

**Description:**

Authorizes the assimilation of Hawaii Medical Center-East into the Hawaii Health Systems Corporation. Appropriates funds for the hiring or contracting of staff. Effective July 1, 2050.  
(SD1)

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

