
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 due to the rapid
2 change taking place in the health care industry and the
3 impending implementation of national health care reform, the
4 corporate structure of governance for the Hawaii health systems
5 corporation's board of directors requires the appropriate
6 flexibility and autonomy necessary for community hospitals to
7 compete and remain viable.

8 The current corporation board membership includes the five
9 regional chief executive officers serving as ex officio, voting
10 members. In light of the successful establishment of the
11 regional boards and the significant challenges imposed by an
12 ever-changing and complex health care environment, the time
13 required to serve on the corporation board, and the desire for
14 additional community participation, the legislature finds that
15 it is time to increase the number of community members on the
16 corporation board. The regional chief executive officers will
17 continue to participate in the board meetings along with the



1 president and chief executive officer of the Hawaii health
2 systems corporation as invited staff.

3 The legislature further finds that changes to the
4 corporation board membership will build on the excellent
5 progress made by the regional boards in coordinating service
6 delivery and improving the health of the island communities by
7 supporting clear and consistent roles for all regions and
8 creating a more balanced multi-board tiered system; creating a
9 more balanced playing field for the regions; and enabling each
10 region to strengthen the region's focus on quality care and
11 services which respond to the needs of the respective
12 communities.

13 The legislature also finds that a significant amount of
14 time and resources is required for regional system board members
15 to gain a solid understanding of the intricacies of the health
16 care system. Allowing the regional system boards greater
17 flexibility in determining the length of each member's term
18 would allow regional system board members to develop their
19 knowledge base and remain on the board for longer periods of
20 time to support continuity in the work of the boards.

21 The purpose of this Act is to affirm the State's commitment
22 to providing quality health care and to enhance the integrity



1 and function of the corporation and regional system boards while
2 improving the accountability and sustainability of the health
3 system by:

- 4 (1) Removing the five regional chief executive officers
5 and the at-large member selected by the governor from
6 the corporation board;
- 7 (2) Adding one community member per region to the
8 corporation board;
- 9 (3) Adding one member, who shall alternately represent the
10 eastern and western regions of the county of Hawaii,
11 to the corporation board; and
- 12 (4) Changing the regional system board membership term
13 from three years to a membership term between two and
14 five years.

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

17 "(b) The members of the corporation board shall be
18 appointed as follows:

- 19 (1) The director of health as an ex-officio, voting
20 member;

21 ~~[(2) The five regional chief executive officers as ex-~~
22 ~~officio, voting members;~~



- 1 ~~(3)~~ (2) ~~[Two]~~ Three members who reside in the county of
2 Maui who shall be appointed by the Maui regional
3 system board;
- 4 ~~[(4)]~~ (3) ~~[One member]~~ Two members who ~~[resides]~~ reside in
5 the eastern section of the county of Hawaii who shall
6 be appointed by the East Hawaii regional system board;
- 7 ~~[(5)]~~ (4) ~~[One member]~~ Two members who ~~[resides]~~ reside in
8 the western section of the county of Hawaii who shall
9 be appointed by the West Hawaii regional system board;
- 10 (5) One member who shall alternately represent, beginning
11 with the eastern section, the eastern section and the
12 western section of the county of Hawaii and who shall
13 be appointed by the respective regional system board;
- 14 (6) ~~[One member]~~ Two members who ~~[resides]~~ reside on the
15 island of Kauai who shall be appointed by the Kauai
16 regional system board; and
- 17 (7) ~~[One member]~~ Two members who ~~[resides]~~ reside on the
18 island of Oahu who shall be appointed by the Oahu
19 regional system board~~[- and~~
- 20 ~~(8) One member who shall be appointed by the governor and~~
21 ~~serve as an at large voting member].~~



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

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



1 SECTION 3. Section 323F-3.5, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) Each regional system shall be governed by a regional
4 system board of directors to consist of not less than seven
5 members and not more than fifteen members, as determined by the
6 regional system board after the initial regional system board is
7 established.

8 (1) Each regional system board shall initially consist of
9 twelve members to be appointed by the governor under
10 section 26-34 or as provided in this section, as
11 follows:

12 (A) Four members shall be appointed by the governor
13 within thirty days of receipt of a qualified list
14 of candidates as follows:

15 (i) Two members shall be chosen from a list of
16 four individuals submitted by the speaker of
17 the house of representatives within fifteen
18 days of July 1, 2007; provided that this
19 list shall not include physicians; and

20 (ii) Two members shall be chosen from a list of
21 four individuals submitted by the president
22 of the senate within fifteen days of July 1,



1 2007; provided that this list shall not
2 include physicians;

3 (B) Four members shall be appointed by the governor
4 within thirty days from a list of eight
5 individuals nominated by the regional public
6 health facility management advisory committee
7 within fifteen days of July 1, 2007. These
8 individuals may be medical and health care
9 providers and professionals, consumers, and
10 knowledgeable individuals in other appropriate
11 areas such as business, finance, and law;
12 provided that these individuals shall not be
13 physicians currently in active practice;

14 (C) Three physicians shall be appointed by the
15 governor within thirty days from a list submitted
16 within fifteen days of July 1, 2007, of six
17 physicians nominated by a majority vote of the
18 medical staff of the public health facilities in
19 the regional system present at a duly noticed
20 meeting from a list of qualified candidates
21 submitted by the medical executive committees in
22 the regional system; and



1 (D) The corporation board chairperson or
2 chairperson's designee shall serve as an ex
3 officio, nonvoting member of each regional system
4 board;

5 (2) One member of each regional system board nominated by
6 the speaker of the house of representatives, the
7 president of the senate, and medical executive
8 committees in a regional system shall be appointed for
9 a term of two years;

10 (3) One member of each initial regional system board
11 nominated by the regional public health facility
12 management advisory committee for the regional system
13 shall be appointed for a term of two years;

14 (4) The remaining members of each initial regional system
15 board and all members appointed thereafter shall be
16 appointed for terms [~~of three~~] between two and five
17 years[+], with the specific term length to be
18 established at the time of appointment by a two-thirds
19 affirmative vote of the existing regional system board
20 members; and

21 (5) New regional system board members appointed to any
22 regional system board after the initial regional



1 system board shall be selected by a two-thirds
2 affirmative vote of the existing regional system board
3 members.

4 Except for the ex officio members of each regional system board,
5 all other members of a regional system board shall be residents
6 of the region. Each regional system board shall elect its own
7 chair."

8 SECTION 4. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

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



Report Title:

Hawaii Health Systems Corporation; Corporation Board; Regional System Board; Membership

Description:

Adds a member to the corporation board of Hawaii health systems corporation who alternately represents the eastern and western regions of the county of Hawaii. Replaces the regional chief executive officers with community members from each respective region. Removes the at-large member selected by the governor. Changes the regional system board membership term from three years to a membership term between two and five years, as established by a two-thirds affirmative vote of the existing regional system board members. (SD2)

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