

LATE



HB1483 HD2
RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION
House Committee on Finance

February 22, 2013

3:00 p.m.

Room 308

The Office of Hawaiian Affairs (OHA) offers the following comments on HB1483 HD2, which establishes a task force to study the feasibility of transitioning one or more regional systems of the Hawai'i Health Systems Corporation (HHSC) or one or more of its facilities to public-private partnership status. Because HHSC's facilities are situated on public land, including ceded land and public trust land, the state has fiduciary obligations to exercise reasonable care, act prudently, and perform due diligence.

The task force should consider the impact of such a transition on the ceded lands corpus. Several hospitals managed by HHSC for hospital purposes sit on former government or crown land that was ceded by the Republic of Hawai'i to the United States in 1898, "without the consent of or compensation to the Native Hawaiian people of Hawaii or their sovereign government[.]" P.L. 103-150 (1993). OHA maintains that the state cannot diminish the ceded land corpus until the Native Hawaiian people's claim to ceded lands has been resolved. To the extent a transition may involve alienation of ceded land to a private company, thereby diminishing the state's control over the ceded land corpus, OHA would object.

Additionally, the task force should also take into account the effect of such a transition on the state's public land trust obligations. Admission Act section 5(f) created the public land trust pursuant to which certain land and the proceeds or income from the disposition of that land are to be held by the State of Hawai'i for five public purposes, including the betterment of the conditions of native Hawaiians. Admission Act section 5(f); Hawai'i Constitution Article XII; Chapter 10, Hawai'i Revised Statutes; Act 178, SLH (2006); and Executive Order 06-06 impose trust obligations on all state agencies with respect to revenues generated on public trust land. The Department of Land and Natural Resources' State Land Information Management System (SLIMS) indicates that Hilo Medical Center, Kula Hospital, and Samuel Mahelona Medical Hospital are situated on public trust land.

Mahalo for the opportunity to testify on this important measure.

The Twenty-Seventh Legislature
Regular Session of 2013

LATE

HOUSE OF REPRESENTATIVES

Committee on Finance

Rep. Sylvia Luke, Chair

Rep. Scott Y. Nishimoto, Vice Chair

Rep. Aaron Ling Johanson, Vice Chair

State Capitol, Conference Room 308

Friday, February 22, 2013; 3:00 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1483, HD2
RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION**

The ILWU Local 142 supports H.B. 1483, HD2, which establishes a task force to study, among other things, the feasibility of allowing the operations of the Hawaii Health Systems Corporation regional systems and their facilities to transition to public-private partnership status.

The ILWU has members and retired members living on all islands. Most of them live on the neighbor islands and in rural areas where health care resources are limited. They rely heavily on the safety net services available through the Hawaii Health System Corporation, a quasi-public entity. HHSC facilities provide acute and long-term care as well as needed emergency room services. In a place like Pahala, having an HHSC emergency room nearby can literally mean the difference between life and death.

We fully understand that HHSC facilities have been struggling to survive. They continually need legislative support precisely because they are providers of last resort as a safety net. Patient volume is often low and HHSC's primary services at most facilities is long-term care, which does not generate revenue and, in fact, is a drain on resources. Yet the services are desperately needed by the people in their communities.

We support a task force to look at how to keep all the HHSC facilities functioning to provide a safety net for rural communities. The option of privatization, while tempting, will only shred the safety net, particularly in remote areas, and will likely end up costing the State even more money. The task force offers a measured approach to considering all options and facilitating development of public-private partnerships that may help to infuse badly needed cash into the HHSC system.

The ILWU urges passage of H.B. 1483, HD2142. Thank you for the opportunity to share our views and concerns.

FINTestimony

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 21, 2013 8:11 PM
To: FINTestimony
Cc: jmccay@hotmail.com
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/21/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| James McCay | Individual | Support | No |

Comments: Aloha again, This is a very interesting bill that sounds like a great idea. Water and energy are both only getting more expensive. So I support this bill. An addition would be a recommendation for as much as possible to hire locally. The current wording leaves not enough focus on shopping local: "The task force shall also study the impact of hiring solely out of state contract workers" Many thanks, James McCay 2957 Kalakaua Ave, #216 Honolulu HI 96815

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FINTestimony

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 22, 2013 2:12 PM
To: FINTestimony
Cc: krs@mnhawaii.net
Subject: Submitted testimony for HB1483 on Feb 22, 2013 15:00PM

HB1483

Submitted on: 2/22/2013

Testimony for FIN on Feb 22, 2013 15:00PM in Conference Room 308

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| kent smith | Individual | Support | No |

Comments: I fully support private sector operation of Maui Memorial Hospital. Virtually all public service can and should be operated this way as the private sector operates far more efficiently and cost effectively.

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