

STAND. COM. REP. NO.

987

Honolulu, Hawaii

MAR 22 2013

RE: H.B. No. 1483  
H.D. 2  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Health, to which was referred H.B.  
No. 1483, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS  
CORPORATION,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a task force that shall conduct a study on the feasibility of allowing the operations of one or more regional systems of the Hawaii Health Systems Corporation, or one or more of its individual health facilities, to transition to public-private ownership status.

Your Committee received testimony in support of this measure from Hawaii Health Systems Corporation, Banner Health, Japanese Chamber of Commerce and Industry of Hawaii, and twenty-seven individuals. Your Committee received testimony in opposition to this measure from United Public Workers, Hawaii Government Employees Association, and seventeen individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs, Hilo Medical Center, Hawaii Island Beacon Community, Maui Memorial Medical Center, Hale Ho'ola Hamakua, and six individuals.

Your Committee finds that the Hawaii Health Systems Corporation is the fourth largest public hospital system in the nation and operates public health care facilities that provide essential safety-net hospital and long-term care services

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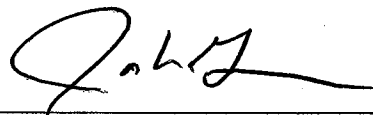
throughout the State. The Hawaii Health Systems Corporation faces continued financial challenges, necessitating the consideration of various options to improve the quality, efficiency, and availability of health care services in Hawaii. Because of the unique struggles faced by public hospitals, your Committee finds that many states have looked to public-private partnership status as a vehicle to address these issues. Your Committee finds that the exploration of operating the Hawaii Health Systems Corporation as a public-private venture is a worthy pursuit and recommends the appointment of a task force to study the issue further.

Your Committee has amended this measure by:

- (1) Changing the composition of the task force to instead consist of the Director of Health or designee; Attorney General or designee; Director of Finance or designee; Chief Executive Officer of Hawaii Health Systems Corporation or designee; a member of the corporation board of the Hawaii Health Systems Corporation; Director of the State Health Planning and Development Agency; two public sector representatives; and Dean of the John A. Burns School of Medicine or designee;
- (2) Changing the effective date to July 1, 2013; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1483, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1483, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Health,




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JOSH GREEN, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Health**  
**HTH**

|  |  |                            |          |          |
|--|--|----------------------------|----------|----------|
| Bill / Resolution No.:*<br><b>HB1483, HD2</b>  | Committee Referral:<br><b>HTH, WAM</b> | Date:<br><b>03/15/2013</b> |          |          |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |  |                            |          |          |
| The Recommendation is:<br><input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 |  |                            |          |          |
| Members  | Aye                                    | Aye (WR)                   | Nay      | Excused  |
| GREEN, Josh (C)  | ✓                                      |                            |          |          |
| BAKER, Rosalyn H. (VC)   |  |                            |          | /        |
| CHUN OAKLAND, Suzanne  | ✓                                      |                            |          |          |
| NISHIHARA, Clarence K.   | ✓                                      |                            |          |          |
| SLOM, Sam  | ✓                                      |                            |          |          |
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| <b>TOTAL</b>   | <b>4</b>                               | <b>0</b>                   | <b>0</b> | <b>1</b> |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |  |                            |          |          |
| Chair's or Designee's Signature:<br><div style="text-align: center; font-family: cursive; font-size: 1.2em;">  </div>         |  |                            |          |          |
| <b>Distribution:</b> Original     Yellow     Pink     Goldenrod<br>File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy   |  |                            |          |          |

**\*Only one measure per Record of Votes**