

STAND. COM. REP. NO.

770

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 1306
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1306, S.D. 1, 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 permit the regional systems of the Hawaii Health Systems Corporation and their health facilities to transition to non-public status.

Your Committee received written comments in support of this measure from the Hawaii Health Systems Corporation, Maui Memorial Medical Center, Hilo Medical Center, and three individuals.

Your Committee received written comments in opposition to this measure from the Hawaii State AFL-CIO, Hawaii Government Employees Association, ILWU Local 142, and fifteen individuals.

Your Committee received written comments on this measure from the Department of Budget and Finance and The Queens Health Systems.

Your Committee finds that it is necessary for the State to take affirmative measures to improve the quality, efficiency, and availability of health care services in Hawaii. Your Committee also finds that, in order to address financial challenges, an increasing number of public hospitals across the nation have converted to non-public status. Your Committee further finds that

SB1306 SD2 SSCR LRB 13-2001.doc



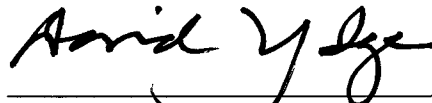
allowing the operations of one or more regional systems of the Hawaii Health Systems Corporation, or one or more of its individual health facilities, to transition to non-public status will likely improve the quality of health care services and operational efficiencies of health facilities in the communities they serve, and, over time, reduce their required level of support from the State.

Your Committee has amended this measure by:

- (1) Providing that, with regard to a transition to non-public status, the retention of liabilities by the Hawaii Health Systems Corporation or the State, accrued benefits status of employees, and any change in collective bargaining shall only occur upon approval of a concurrent resolution by both houses of the Legislature, the regional system board, and any boards in whose region or regions the health facility assets are located;
- (2) Deleting the provision granting a new entity the right to incur revenue bond debt to finance capital expenditures; and
- (3) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1306, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1306, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1306 SDI	HTH, WAM	2-27-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)		✓		
CHUN OAKLAND, Suzanne		✓		
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani				✓
ESPERO, Will		✓		
KAHELE, Gilbert			✓	
KEITH-AGARAN, Gilbert S.C.				✓
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.		✓		
THIELEN, Laura H.	✓			
TOKUDA, Jill N.				✓
SLOM, Sam	✓			
TOTAL	4	4	1	4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes