

JAN 22 2016

S.B. NO. 2459

A BILL FOR AN ACT

RELATING TO HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 323F-7.6, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Notwithstanding any other law to the contrary,
4 including but not limited to section 27-1 and chapter 171, any
5 of the regional systems or individual facilities of the Hawaii
6 health systems corporation is hereby authorized to transition
7 into a new legal entity in any form recognized under the laws of
8 the State, including but not limited to:

9 (1) A nonprofit corporation;

10 (2) A for-profit corporation;

11 (3) A municipal facility;

12 (4) A public benefit corporation; or

13 (5) Any two or more of the entities in paragraphs (1)

14 through (4) [-];

15 provided that prior to pursuing any transition into a new legal

16 entity pursuant to this section, the regional system or

17 individual facility of the Hawaii health systems corporation



1 shall submit evidence demonstrating imminent cuts to services to
2 the director of health and governor at least sixty days prior to
3 publishing a notice inviting entities to submit statements of
4 interest in transitioning a Hawaii health systems regional
5 system or health facility into a new legal entity or acquiring
6 the right and responsibility to manage, operate, and otherwise
7 provide health care services at one or more facilities of the
8 regional system. A transition shall occur through the sale,
9 lease, or transfer of all or substantially all of the assets of
10 the facility or regional system, except for real property which
11 shall only be transferred by lease. Any transition shall comply
12 with chapter 323D."

13 SECTION 2. Section 323F-51, Hawaii Revised Statutes, is
14 amended by adding a new definition to be appropriately inserted
15 and to read as follows:

16 "Essential health services" means services related to
17 obstetrics, psychiatry, adult and pediatric emergency care, and
18 hemodialysis."

19 SECTION 3. Section 323F-56, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) The State, the Maui regional system board, or the
2 corporation, separately or collectively, shall be responsible
3 for any and all obligations incurred by the facility or
4 facilities to be transferred, the Maui regional system, or the
5 corporation prior to the transfer completion date including any
6 accounts payable, accrued paid time off, debt, capital leases,
7 malpractice liabilities, and other obligations incurred before
8 the transfer completion date. The State, the Maui regional
9 system board, or the corporation, separately or collectively,
10 shall fund the provision of essential health services, as
11 defined in section 323F-51, provided by one or more of the Maui
12 regional system's facilities before the transfer completion
13 date. Any and all liabilities of the pre-transfer facility that
14 were transferred to the corporation upon its creation by Act
15 262, Session Laws of Hawaii 1996, all liabilities of the pre-
16 transfer facility related to collective bargaining contracts
17 negotiated by the State, and the liability for all current
18 outstanding post-employment benefits of the regional system or
19 the corporation shall remain the responsibility of the State."

20 SECTION 4. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



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1 SECTION 5. This Act shall take effect on July 1, 2016.

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S.B. NO. 2459

Report Title:

Hawaii Health Systems Corporation; Essential Health Services; Transfer to Private Nonprofit Management Entity; Maui Regional System Facilities

Description:

Requires any of the regional systems or individual facilities of the Hawaii health systems corporation interested in transitioning into a new legal entity to submit evidence demonstrating imminent cuts to services to the director of health and governor at least sixty days prior to pursuing transition. Defines "essential health services". Requires the State to fund essential health services provided by the Maui regional system before the transfer completion date.

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

