

Honolulu, Hawaii

February 12, 2015

RE: H.B. No. 1112

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 1112  
entitled:

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

begs leave to report as follows:

The purpose of this measure, as referred to your Committee, is to ensure that all persons in the State, especially those residing in underserved rural communities, have continued access to health care services by establishing a process for determining whether the health care services presently provided by the Hawaii Health Systems Corporation (HHSC), one or more of HHSC's five regional health care systems, or one or more of HHSC's health systems facilities can be delivered more cost-effectively by partnering with a private health care management system.

HHSC; HHSC West Hawaii Regional Board of Directors; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; ILWU Local 142; The Chamber of Commerce of Hawaii; and two individuals supported this measure. The Department of Budget and Finance commented on this measure.

In its public hearings, your Committee deliberated over several measures regarding the HHSC, all of which aimed at improving access to quality health care services in the State. Your Committee recognizes the complexity of health care issues, including cost, quality, employment, and access issues. These

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issues merit further consideration. It is the intent of your Committee to enable the progress of legislation that facilitates further discussion of these issues in public hearings of the Legislature. As such, your Committee respectfully requests that this measure be re-referred to include the Committee on Labor and Public Employment, so that this measure may proceed further in the legislative process in tandem with other measures regarding the transformation of the HHSC and its facilities to afford greater opportunity for legislative discussion and deliberation.

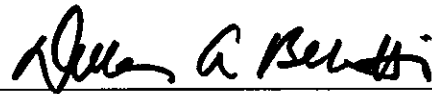
Upon careful consideration, your Committee has amended this measure by deleting provisions relating to the transition of individual HHSC functions or facilities to other health care entities and;

- (1) Inserting the substantive contents of the following bills that were also heard by your Committee at the same public hearing:
  - (A) H.B. No. 1420, which centralizes personnel, purchasing, and other administrative functions within HHSC and repeals the regional system boards to achieve greater efficiency, effectiveness, and meaningful financial accountability;
  - (B) H.B. No. 1145, which lifts the prohibition on mortgages of HHSC real property to give HHSC the ability to fully utilize its real property assets for the benefit of the community, and clarifies that the \$25,000,000 annual limit on municipal leases applies per region; and
  - (C) H.B. No. 1146, which establishes seven separate bargaining units for HHSC employees, as further amended to specify that the Governor shall have two votes with respect to negotiating a collective bargaining agreement for the seven separate bargaining units for HHSC employees;
- (2) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.



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. 1112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1112, H.D. 1, and be referred to the Committee on Labor and Public Employment.

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



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DELLA AU BELATTI, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

HSCR 190

**Record of Votes of the Committee on Health**

Bill/Resolution No.: <i>HB 1112</i>	Committee Referral: <i>HLT, FIN</i>	Date: <i>2/10/2015</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. BELATTI, Della Au (C)	✓			
2. CREAGAN, Richard P. (VC)	✓			
3. HASHEM, Mark J.	✓			
4. JORDAN, Jo		✓		
5. KOBAYASHI, Bertrand	✓			
6. MORIKAWA, Dee	✓			
7. OSHIRO, Marcus R.	<del>MMW</del> ✓			✓ <i>RL</i>
8. FUKUMOTO CHANG, Beth		✓		
9. TUPOLA, Andria P.L.		✓		
<b>TOTAL (9)</b>	<b>5</b>	<b>3</b>		<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Richard by</i></u>				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				