

HAWAII HEALTH SYSTEMS
C O R P O R A T I O N

"Quality Healthcare For All"

**House Committee on Health
Representative Della Au Bellati, Chair
Representative Richard P. Creagan, Vice Chair**

February 6, 2015
Conference Room 329
8:40 a.m.
Hawaii State Capitol

**Testimony Supporting House Bill 1146,
Relating To Collective Bargaining in Public Employment.
Creates seven separate collective bargaining units for HHSC Employees.**

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony in **support** of HB 1146 that creates seven separate bargaining units exclusively for HHSC employees.

As one of largest public health care providers in the nation, HHSC maintains the only 24/7 public acute care and long term care facilities in Hawaii. Currently, the bargaining units that encompass HHSC employees also include employees from the other state agencies. Thus, HHSC negotiates with other State agencies as a whole, and we are not able to address key issues that affect our cost of doing business.

This combined negotiating approach is challenging and problematic. If the State makes agreements regarding labor issues, HHSC must follow suit regardless if we have adequate funding available. In order to fulfil such an agreement, we have been forced to consider cuts in critical areas such as health services to the communities. This one-size-fits-all approach is unworkable because the issues affecting our HHSC employees and facilities are unique. For example, our 24/7 facilities require sufficient staffing and the ability to adjust that staffing as needed – sometimes at a moment's notice. Unlike other 24/7 state facilities – such as the prisons run by the Department of Public Safety – we cannot simply shut down parts of our facilities due to staffing issues. We must ensure quality patient care at all times.

Chapter 89-8.5 of the Hawaii Revised Statutes gives each of our regions the ability to negotiate Memorandums of Understanding with the unions. However, our ability to reach agreement and affect change is limited is there is no impasse procedure in effect. Hence, our ability to negotiate agreements with employees in HHSC exclusive

bargaining units is key. Creating separate bargaining units will enable HHSC to address our specific needs more effectively, efficiently, and preserve quality patient care to the communities we serve.

Thank you for the opportunity to testify before this committee. We would respectively recommend the Committee's support of this measure.

HOUSE COMMITTEE ON HEALTH

Rep. Della Au Belatti, Chair
Rep. Richard P. Creagan, Vice Chair
Rep. Mark J. Hashem
Rep. Marcus R. Oshiro
Rep. Jo Jordan
Rep. Beth Fukumoto Chang
Rep. Bertrand Kobayashi
Rep. Andria P.L. Tupola
Rep. Dee Morikawa

NOTICE OF HEARING

Wednesday, February 6, 2015 at 8:40 am
Conference Room 329
State Capitol
415 South Beretania Street

**TESTIMONY IN SUPPORT OF HB 1146
RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT.**

Please accept this testimony in strong support of HB 1146. I, Holly Ka`akimaka, East Hawaii Regional Human Resources Director of Hawaii Health Systems Corporation (HHSC), am in support of this bill to create seven separate collective bargaining units for employees of HHSC.

This bill is fittingly specific to the business of providing around-the-clock "safety net" healthcare every day of the year. It offers the East Hawaii Region and the rest of HHSC the flexibility for work rules that are better aligned with the healthcare industry, which would result in improved efficiencies in operations and use of taxpayer dollars. At the same time, this bill would protect the rights of our workers and ultimately, improve their ability to care for our patients in a cost-effective manner.

I thank members of this committee for hearing this bill to create seven separate collective bargaining units for HHSC and ask your support for the future of a healthy Hawaii.

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**TESTIMONY IN SUPPORT OF HB 1146
RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT.**

Please accept this testimony in strong support of HB 1146. I, Dan Brinkman, Interim East Hawaii Regional Chief Executive Officer of Hawaii Health Systems Corporation (HHSC), am in support of this bill to create seven separate collective bargaining units for employees of HHSC.

This bill is fittingly specific to the business of providing around-the-clock "safety net" healthcare every day of the year. It offers the East Hawaii Region and the rest of HHSC the flexibility for work rules that are better aligned with the healthcare industry, which would result in improved efficiencies in operations and use of taxpayer dollars. At the same time, this bill would protect the rights of our workers and ultimately, improve their ability to care for our patients in a cost-effective manner.

I thank members of this committee for hearing this bill to create seven separate collective bargaining units for HHSC and ask your support for the future of a healthy Hawaii.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 04, 2015 9:38 PM
To: HLTtestimony
Cc: psgegen@hotmail.com
Subject: Submitted testimony for HB1146 on Feb 6, 2015 08:40AM

HB1146

Submitted on: 2/4/2015

Testimony for HLT on Feb 6, 2015 08:40AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
pat gegen	Kauai Regional Board - HHSC	Comments Only	No

Comments: The Kauai Regional Board strongly supports the intent of HB1146. The Kauai Regional Board is acutely aware of the current difficulties created by having minimal flexibility in work rules and schedules and how this impacts the financial viability of continuing to provide the current service lines in the Kauai Region. We need to have a workforce and rules that allow our administration to staff according to need in an efficient manner. How this flexibility is achieved could be done as provided in HB1146 or the unions and management could agree to work together and find compromises acceptable to both parties. Without somehow achieving flexibility that allows for more financially efficient operations we are concerned that more drastic measures will need to be taken. Respectfully submitted, PSG on behalf of the Kauai Regional Board

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-EIGHTH LEGISLATURE, 2015**

ON THE FOLLOWING MEASURE:

H.B. NO. 1146, RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT

BEFORE THE:

HOUSE COMMITTEE ON HEALTH

DATE: Friday, February 6, 2015

TIME: 8:40 a.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): RUSSELL A. SUZUKI, Attorney General, or
JAMES E. HALVORSON, Deputy Attorney General or
MARIA C. COOK, Deputy Attorney General

Chair Belatti and Members of the Committee:

The Department of the Attorney General (“the Department”) opposes this bill. This bill is unnecessary and not the appropriate means selected to achieve its justification.

The purpose of the bill is to separate all employees of the Hawaii Health Systems Corporation (“HHSC”) from other employees of different public employers by creating seven (7) new bargaining units that are counterpart to the existing ones. The justification provided for the creation of seven (7) new bargaining units is so that the HHSC can negotiate collective bargaining agreements that address the wages, hours, and working conditions of health care employees.

This bill is unnecessary because HHSC has authority to negotiate agreements with the unions for its employees, independent of the other employers. *See*, sections 89-6(e) and 89-8.5, Hawaii Revised Statutes (HRS). Section 89-6(e), HRS, allows HHSC to negotiate supplemental agreements:

In addition to a collective bargaining agreement under subsection (d), each employer may negotiate, independently of one another, supplemental agreements that apply to their respective employees; provided that any supplemental agreement reached between the employer and the exclusive representative shall not extend beyond the term of the applicable collective bargaining agreement and shall not require ratification by employees in the bargaining unit. (Emphasis added).

Similarly, Section 89-8.5, HRS specifically allows HHSC to negotiate memorandums of understandings with the unions to alter any existing or new collective bargaining agreements:

Negotiating authority: Hawaii health systems corporation. Notwithstanding any law to the contrary, including section 89-6(d), the Hawaii health systems corporation or any of the regional boards, as a sole employer negotiator, may negotiate with the exclusive representative of any appropriate bargaining unit and execute memorandums of understanding for employees under its control to alter any existing or new collective bargaining agreement on any item or items subject to section 89-9.

Further, the establishment of seven new bargaining units for HHSC employees who already belong to existing bargaining units is not consistent with how the existing bargaining units were established. Section 89-6(a), HRS, states “[a]ll employees throughout the State within any of the following categories shall constitute an appropriate bargaining unit.” The current bargaining units are categorized based on occupational lines (i.e., supervisor, non-supervisory, teachers, nurses, etc.) and not by jurisdiction or employer. The justification for proposing to create seven new units is not consistent with section 89-6(a), HRS, which clearly shows bargaining unit determination based on categories related to occupational likes or classes of work. The seven proposed bargaining units perform the same exact work as those employed by other public employers.

Finally, section 89-6(d), HRS, requires that for the purpose of negotiating a collective bargaining agreement, the public employer of an appropriate bargaining unit shall include the Governor, together with the respective public employers. In other words, the Governor is always a voting member for purposes of negotiating an agreement for each bargaining unit. This bill, however, eliminates the Governor as a voting member for the seven new bargaining units.

For the reasons discussed above, we respectfully request that this measure be held.

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON HEALTH
ON
HOUSE BILL NOS. 1075, 1112, 1145, 1146, 1254, AND 1420

February 6, 2015

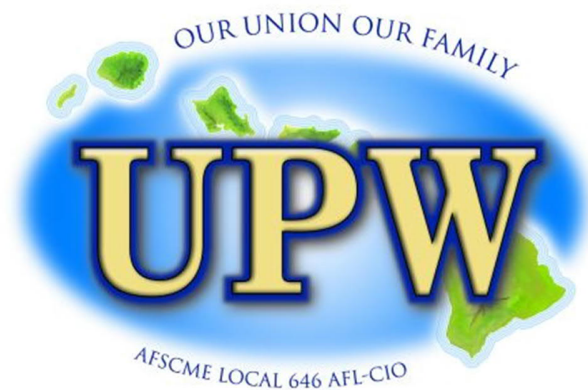
RELATING TO HAWAII HEALTH SYSTEMS CORPORATION

The following measures on this agenda all attempt to address in various different ways the issue of facilitating sustainability of the Hawaii Health Systems Corporation (HHSC):

- House Bill (H.B.) No. 1075 authorizes the Maui Regional System to enter into an agreement with a private entity to transition one or more of its facilities into a new private Hawaii nonprofit corporation.
- H.B. No. 1112 establishes a process for determining whether the health care services provided by HHSC, or one or more of its regional health care systems, can be delivered more cost-effectively by partnering with a private health care management system.
- H.B. No. 1420 repeals the regional system boards of HHSC and increases the size of the HHSC board and changes its composition.
- H.B. No. 1254 repeals HHSC and re-establishes the Division of Community Hospitals under the Department of Health.
- H.B. No. 1146 creates seven separate collective bargaining units for employees of HHSC.
- H.B. No. 1145 authorizes HHSC to mortgage its real property and clarifies the dollar cap on municipal leasing authority.

The Department of Budget and Finance supports the general intent of transitioning HHSC into “a more economically efficient system of health care delivery.” The issues involved in facilitating HHSC sustainability are complex and multifaceted. For this reason, we would recommend moving all of these bills along to enable further discussion and deliberation.

The Ige Administration will work with the applicable committees during the course of this session to attempt to develop a realistic and workable framework for moving forward to ensure that vital health care services will be provided either through a restructured HHSC or some other appropriate entity.



THE HAWAII STATE HOUSE OF REPRESENTATIVES
The Twenty-Eighth Legislature
Regular Session of 2015

COMMITTEE ON HEALTH

The Honorable Representative Della Au Belatti, Chair
The Honorable Representative Richard P. Creagan, Vice Chair

DATE OF HEARING: Friday, February 6, 2015
TIME OF HEARING: 8:40 a.m.
PLACE OF HEARING: Conference Room 329
State Capitol
415 South Beretania Street

TESTIMONY ON HOUSE BILL 1146 RELATING TO COLLECTIVE BARGAINING IN
PUBLIC EMPLOYMENT

By DAYTON M. NAKANELUA,
State Director of the United Public Workers,
AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive bargaining representative for approximately 12,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW opposes HB1146 creating seven separate collective bargaining units for employees of the Hawaii Health Systems Corporation.