

Honolulu, Hawaii

February 13, 2018

RE: H.B. No. 2427
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Health & Human Services, to which was referred H.B. No. 2427 entitled:

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

begs leave to report as follows:

The purpose of this measure is to accurately assess the financial and operational state of the Hawaii Health Systems Corporation by requiring the Office of the Auditor to conduct a management and financial audit of the Hawaii Health Systems Corporation.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this measure. The Office of the Auditor provided comments.

Your Committee has amended this measure by:

- (1) Changing the scope of the audit from a management and financial audit to a comprehensive audit;
- (2) Appropriating \$100,000 for conducting the audit;
- (3) Changing its effective date to July 1, 2018; and



- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that it is the intent of your Committee that the comprehensive audit requested in this measure cover the entire operations of the Hawaii Health Systems Corporation and their approximately \$733,000,000 budget.

As affirmed by the record of votes of the members of your Committee on Health & Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2427, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Health & Human
Services,


JOHN M. MIZUNO, Chair



