

Honolulu, Hawaii

FEB 16 2017

RE: S.B. No. 1308
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 1308 entitled:

"A BILL FOR AN ACT RELATING TO WAHIAWA GENERAL HOSPITAL,"

begs leave to report as follows:

The purpose and intent of this measure is to ensure the health, welfare, and safety of the people of Hawaii by providing desperately needed financial assistance to Wahiawa General Hospital. More specifically, this measure:

- (1) Appropriates funds to support basic operations, staff salaries and benefits, and continued hospitalist physician services at Wahiawa General Hospital;
- (2) Authorizes the issuance of general obligation bonds and appropriates funds for financing capital improvement projects for Wahiawa General Hospital; and
- (3) Appropriates funds to the Department of Health to perform a financial and performance audit of Wahiawa General Hospital.

Your Committee received testimony in support of this measure from the North Shore Chamber of Commerce, Wahiawa General Hospital, Dole Food Company Hawaii, ALEA Bridge, Hawaii Emergency Physicians Associated, Lanakila Pacific, Hawaii Emergency Physicians Associated, International Longshore and Warehouse Union Local 142 Hawaii, Hawai'i Nurses' Association, Hawaii Laborers-



Employers Cooperation and Education Trust, Wahiawa Health, Pacific Resource Partnership, Wahiawa Nursing and Rehabilitation Center, Military Aloha State Transition and Economic Retention Council, twenty-eight individuals, and a form letter signed by over one hundred individuals. Your Committee received comments on this measure from the Department of Budget and Finance, Department of Health, and one individual.

Your Committee finds that Wahiawa General Hospital is a valuable and essential provider of medical care for central Oahu and residents residing on the north shore. It is the only hospital that provides emergency medical services in a large geographical area that includes nearly one-third of the island. Your Committee also finds that the hospital is one of the largest employers in central Oahu and provides over five hundred jobs, with approximately ninety percent of its workers residing in the surrounding areas.

Your Committee further finds that in recent years, Wahiawa General Hospital has experienced severe financial difficulties, and that despite cutting programs, services, and personnel, the financial deficit has not been remedied. Your Committee notes that decreasing the hospital's financial deficit may require modifying the types of services provided and focusing on critical services such as emergency medical care, long term care, and geriatric care. The Wahiawa Center for Community Health is a nearby community resource that can assist patients who may lose services due to changes at the hospital.

Your Committee heard testimony from the Chief Executive Officer of Wahiawa General Hospital that the hospital is requesting bridge funding for the next two years to enable the hospital to transition to a sustainable business model. With a recent change in management at the hospital, a new plan exists that has the support of the hospital's Board, management team, employees, civic leaders, and unions, and is aimed at stabilizing the hospital's financial performance with the hopes of sustaining services and protecting jobs. Wahiawa General Hospital's Chief Executive Officer testified that the hospital feels it will be able to return financial operations back to breaking even within three years, and that the hospital is working with the Department of Health and two other health systems in the State as part of the hospital's transition.



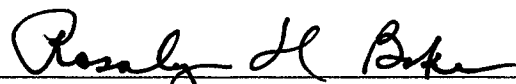
Your Committee acknowledges that this measure is a work in progress, and that additional information will become available as the new leadership at Wahiawa General Hospital begins to implement the hospital's sustainability plan. Your Committee recognizes the complexities of determining the best future for Wahiawa General Hospital, but wants to encourage further discussion in hopes that interested stakeholders will come together and continue to work toward a collaborative solution that will meet the needs of the many people who rely on Wahiawa General Hospital for their health and welfare.

Your Committee has amended this measure by:

- (1) Removing the provisions that required the Department of Health to perform a financial and performance audit of Wahiawa General Hospital and appropriated funds for the audit;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1308, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* SB1308	Committee Referral: CPH, WAM	Date: 2/8/17		
<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 checked="" 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
BAKER, Rosalyn H. (C)	/			
NISHIHARA, Clarence K. (VC)	/			
CHANG, Stanley	/			
ESPERO, Will	/			
IHARA, Jr., Les				/
KIDANI, Michelle N.	/			
RUDERMAN, Russell E.				/
TOTAL	5			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Clarence K. Nishihara</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