

HOUSE COMMITTEE ON FINANCE
The Honorable Sylvia Luke, Chair
The Honorable Ty J.K. Cullen, Vice Chair

**H.B. NO. 2427, H.D. 1, RELATING TO THE HAWAII HEALTH SYSTEMS
CORPORATION**

Hearing: Friday, February 16, 2018, 4:00 p.m.

The Office of the Auditor **has no position** regarding H.B. No. 2427, H.D. 1, which requires us to conduct an audit of the Hawaii Health Systems Corporation (“HHSC”). **However, we have the following comments and request for clarification.**

H.D. 1 tasks us with conducting a “comprehensive” audit of HHSC and now includes an appropriation to conduct the audit.

Given the size and scope of HHSC’s operations, we continue to have concerns about our ability to conduct an audit of HHSC’s entire operations. Considering our staffing resources and other audit obligations, we cannot assess all of the regions of HHSC and its corporate office and issue our findings and recommendations by the deadline required in H.B. No. 2427, H.D. 1.

We strongly recommend that the bill be amended to limit the audit to a specific HHSC region (i.e., East Hawaii Region, West Hawaii Region, Kauai Region, Oahu Region), HHSC facility, or the HHSC corporate office and a specific program, activity, or function that the Legislature is interested in examining.

Thank you for considering our testimony regarding H.B. No. 2427, H.D. 1.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Ninth Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association

February 16, 2018


H.B. 2427, H.D. 1 – RELATING TO THE HAWAII HEALTH
SYSTEMS CORPORATION

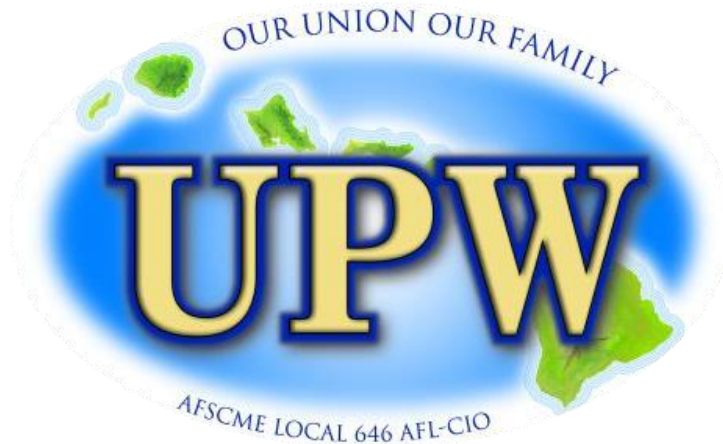
The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 2427, H.D. 1 which requests the Office of the Auditor to complete a comprehensive audit of the Hawaii Health Systems Corporation.

In addition to the audit that requests an analysis of the corporation's accounting procedures, procurement practices, and personnel and fiscal accountability, the audit should also consider analyzing the cost-benefit of recentralizing the System. The Legislature must ensure that the HHSC is prudently spending its appropriated funds and must accurately assess the entire system's current financial and operational state. We have long raised very serious concerns over proposed concepts to continue to privatize our safety net hospital system. A comprehensive audit has the potential to highlight opportunities for the whole system to operate more efficiently.

Thank you for the opportunity to provide testimony in support of H.B. 2427, H.D. 1.

Respectfully submitted,


for Randy Perreira
Executive Director



The Hawaii State House of Representatives
The Twenty-Ninth Legislature
Regular Session of 2018

Committee on Finance

Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
Members of the Committee

Date of Hearing: Friday, February 16, 2018
Time of Hearing: 4:00 p.m.
Place of Hearing: Conference room 308
State Capitol

Testimony In Support of HB2427 Relating to the Hawaii Health Systems Corporation
Audit

By Dayton M. Nakanelua,
State Director of the United Public Workers,
AFSCME, Local 646, AFL-CIO

My name is Dayton M. Nakanelua, State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO. The UPW is the exclusive 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 the four counties.

The UPW supports HB2427 HD1 requiring a comprehensive audit of the Hawaii Health Systems Corporation (HHSC). The purpose of this comprehensive audit is to ascertain the efficiency and effectiveness of the HHSC operation and utilization of resources. This bill includes but is not limited to the HHSC accounting procedures, procurement practices, personnel and fiscal accountability.

Thank you for the opportunity to submit this testimony.

HB-2427-HD-1

Submitted on: 2/15/2018 3:21:05 PM

Testimony for FIN on 2/16/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments: