Honolulu, Hawaii

MAR 2 1 2019

RE: H.B. No. 888

> H.D. 1 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred H.B. No. 888, H.D. 1, entitled:

"A BILL FOR AN ACT MAKING APPROPRIATIONS TO THE MAUI HEALTH SYSTEM, "

begs leave to report as follows:

The purpose and intent of this measure is to appropriate funds to support the operations of the Maui Health System.

Your Committee received testimony in support of this measure from the Maui Health System and three individuals.

Your Committee finds that the Maui Health System manages several key health care institutions in the County of Maui that are critical to the health and well-being of county residents, including Maui Memorial Medical Center, Kula Hospital, and Lanai Community Hospital. Each year, the Maui Health System averages 8,529 inpatient admissions and 53,647 emergency room visits, and provides skilled nursing and long-term care for up to 124 patients. In addition, the Maui Health System is the only health care provider on the neighbor islands that provides cardiac surgery, interventional cardiology, interventional neurosurgery, and neurosurgery.

Your Committee further finds that the Maui Health System, which is an affiliate of Kaiser Permanente, took over the Maui Regional System facilities from the Hawaii Health Systems Corporation following the passage of Act 103, Session Laws of Hawaii 2015. Whereas in 2014, the year before the public-private partnership went into effect, the operating costs of the Maui Regional System were \$38,000,000, the System's request for fiscal years 2020 and 2021 are \$26,000,000 and \$23,000,000, respectively. Your Committee notes that the Maui Health System is an example of a successful decoupling from the state system that has saved the State money while improving quality of care for Maui residents.

Your Committee has amended this measure by inserting appropriation amounts of \$26,000,000 for fiscal year 2019-2020 and \$23,000,000 for fiscal year 2020-2021.

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 H.B. No. 888, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 888, H.D. 1, 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 HO BAKER, Chair

The Senate Thirtieth Legislature State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:			Date:	
HB888, HD1 CPH, WAM			3/15/19		
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WF	R) Nay	Excused
BAKER, Rosalyn H. (C)		V.			
CHANG, Stanley (VC)		V		g type Architecture Sea Architecture	
KEOHOKALOLE, Jarrett					/
NISHIHARA, Clarence K.		V			
RUDERMAN, Russell E.		V			
THIELEN, Laura H.					✓
FEVELLA, Kurt					1
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TOTAL		4			3
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes