

STAND. COM. REP. NO.

3459

Honolulu, Hawaii

MAY 12 2020

RE: H.B. No. 2630
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred H.B. No. 2630, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE TRANSITION OF THE OAHU
REGIONAL HEALTH CARE SYSTEM FROM THE HAWAII HEALTH SYSTEMS
CORPORATION INTO THE DEPARTMENT OF HEALTH,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Set a timeline for the transition of health care facilities of the Oahu Region of the Hawaii Health Systems Corporation to the Department of Health; and
- (2) Establish a working group to develop, evaluate, and implement a comprehensive plan to address all necessary components of such transition.

Your Committee received testimony in support of this measure from the Department of Health; Hawaii Health Systems Corporation; Oahu Region of the Hawaii Health Systems Corporation; and United Public Workers, AFSCME Local 646, AFL-CIO. Your Committee received comments on this measure from the State Procurement Office and Hawaii Government Employees Association.



Your Committee finds that the Oahu Regional Health Care System is unique and distinguishable from the other regions due to the logistical complexities of the Oahu Regional Health Care System facilities and the limited but crucial nature of the services these facilities, Leahi Hospital and Maluhia, currently provide. Because the Oahu facilities almost exclusively serve long-term care and medicaid patients, groups traditionally underserved by private facilities because of the high cost of their care, the Oahu Regional Health Care System's long-term care operations are run more as a safety-net social service and, as compared to the other regions, have less opportunity for additional revenue generation.

Your Committee further finds that, while statutorily tied to the Hawaii Health Systems Corporation, the Oahu Regional Health Care System operates mostly autonomously and its needs are unique from those of the other regional health care systems. As such, there is little necessity to keep the Oahu Regional Health Care System a part of the Hawaii Health Systems Corporation. With proper planning and implementation, the Oahu Regional Health Care System could be strategically assimilated into the Department of Health and its facilities could be used to help alleviate the need for subacute residential stabilization and other services.

Your Committee has amended this measure by:

- (1) Adding findings relating to the need in Hawaii for a coordinated network of stabilization beds for those struggling with substance use, mental health conditions, and homelessness;
- (2) Specifying the membership of the Hawaii Health Systems Corporation Board, including reinstating the members who reside on the island of Oahu;
- (3) Inserting language that authorizes the Director of Health to have sole decision-making authority over matters of the Oahu Regional Health Care System beginning on June 30, 2020, and until the transition of the Oahu Regional Health Care System into the Department of Health is complete;

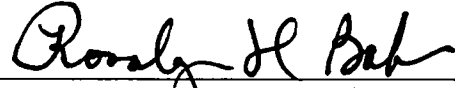


- (4) Inserting language that authorizes the transition of a Hawaii Health Systems Corporation regional system or health facility to a division or branch under a state executive department;
- (5) Inserting language that specifies the transfer of the Oahu Regional Health Care System to the Department of Health, including the timeline of the transfer of the budget and position count;
- (6) Amending the composition of the working group to designate certain entities to serve in a consultative capacity;
- (7) Clarifying the responsibility of the working group to develop a transfer framework to govern and manage the additional steps necessary to complete the transfer of the Oahu Regional Health Care System to the Department of Health;
- (8) Deleting language related to permitted interaction of members of the working group and public notice requirements;
- (9) Inserting language to require the working group to submit an interim report that outlines all components of the transition that have been effectuated and any necessary legislative action;
- (10) Specifying that certain transition-related actions specified in this measure be subject to certain conditions; and
- (11) 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 H.B. No. 2630, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2630, H.D. 2, 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



