

STAND. COM. REP. NO.

234

Honolulu, Hawaii

FEB 12 , 2021

RE: H.B. No. 1282
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Health, Human Services, & Homelessness, to which was referred H.B. No. 1282 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 of this measure is to:

- (1) Begin the transfer of the Oahu Regional Health Care System in its entirety from the Hawaii Health Systems Corporation to the Department of Health;
- (2) Enable the Oahu Regional Health Care System, Department of Health, and Hawaii Health Systems Corporation and other state agencies to manage and implement the processes required to effectuate the completion of the transition;
- (3) Require the Department of Health to consult with the University of Hawaii regarding services provided at Leahi Hospital and Maluhia and allow University of Hawaii students to rotate through those facilities for training purposes;

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- (4) Authorize the Department of Health to pay rent to the University of Hawaii for the use of the Leahi Hospital property;
- (5) Appropriate funds from the Mental Health and Substance Abuse Special Fund to operate Leahi Hospital and Maluhia; and
- (6) Authorize the issuance of general obligation bonds for improvements at Leahi Hospital and Maluhia.

Your Committee received testimony in support of this measure from the Department of Health, University of Hawaii System, Hawaii Health Systems Corporation Oahu Region, Hawaii Health and Harm Reduction Center, and The Queen's Health Systems. Your Committee received comments on this measure from the Department of the Attorney General and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the Oahu Regional Health Care System (Oahu Region) care facilities operate mostly autonomously and are unique from those of other regional health care systems in the Hawaii Health Systems Corporation, in that they operate more as a necessary social service than as a corporate health care business. Your Committee further finds that effecting a transfer of the Oahu Region from the Hawaii Health Systems Corporation to the Department of Health will ensure the continued availability of long-term care beds for the State's aging population and facilitate more efficient use of the facilities at Leahi Hospital and Maluhia, including helping alleviate the need for subacute residential mental health stabilization and other subacute care services.

Your Committee has amended this measure by:

- (1) Clarifying that real property transferred during any transition of a Hawaii Health Systems Regional System to a new entity shall transition in its then-existing state, whether in lease, fee, or otherwise, to an executive department;



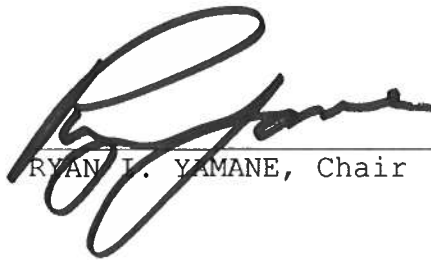
- (2) Clarifying the rights, powers, and exemptions of:
 - (A) The Oahu Region during the transition period beginning on July 1, 2021, until the completion of the transition to the Department of Health; and
 - (B) The Department of Health, via the Inpatient Services Division, once the Oahu Region transfers from the Hawaii Health Systems Corporation to the Department;
- (3) Specifying that no planned substantial reduction or elimination of direct patient care services at Leahi Hospital and Maluhia shall be undertaken unless certain requirements are met;
- (4) Specifying that the transition working group may begin transferring positions and class specifications from the Oahu Region into the Department of Health on June 30, 2021, and requiring all Oahu Region employees employed as of this date to be transferred to the Department before the transition is complete;
- (5) Clarifying that the Oahu Region Board of Directors, through its Chair, shall transition the Oahu Region into the Department of Health;
- (6) Authorizing the Inpatient Services Division of the Department of Health to develop internal policies for the procurement of goods and services for a two-year period following the completion of the Oahu Region transition;
- (7) Amending the composition of the transition working group and clarifying the transfer framework the working group must develop;
- (8) Changing the effective date to July 1, 2060, to encourage further discussion, and specifying that Part II of the measure, which statutorily removes the Oahu Region from the Hawaii Health Systems Corporation, shall take effect July 1, 2023; and



- (9) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health, Human Services, & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1282, H.D. 1, and be referred to your Committee on Labor & Tourism.

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



RYAN I. YAMANE, Chair



