

STAND. COM. REP. NO.

1766

Honolulu, Hawaii

MAR 25 , 2021

RE: S.B. No. 628  
S.D. 2  
H.D. 2

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

Sir:

Your Committee on Labor & Tourism, to which was referred S.B. No. 628, S.D. 2, H.D. 1, 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) Authorize the Department of Health to conduct long-term care and substance abuse treatment at Leahi Hospital and Maluhia and to pay rent for the use of the Leahi Hospital property;
- (3) Require the Department of Health to consult with the University of Hawaii regarding programs at Leahi Hospital and Maluhia and allow University of Hawaii students to rotate through those facilities for training purposes;

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- (4) Enable the Oahu Regional Health Care System, Department of Health, Hawaii Health Systems Corporation, and other state agencies to implement the processes required to complete the transition;
- (5) Clarify the rights, powers, and exemptions of the Oahu Regional System Board during the transition period of the Oahu Regional Health Care System into the Department of Health, and the rights, powers, and exemptions of the Inpatient Services Division of the Department of Health after the transition is complete;
- (6) Authorize the issuance of general obligation bonds for improvements to Leahi Hospital and Maluhia; and
- (7) Appropriate funds from the Mental Health and Substance Abuse Special Fund to operate Leahi Hospital and Maluhia.

Your Committee received testimony in support of this measure from the Department of Health, University of Hawai'i System, Oahu Region of the Hawaii Health Systems Corporation, and The Queen's Health Systems. Your Committee received testimony in opposition to this measure from the State Procurement Office. 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, unlike the Hawaii Health System Corporation's neighbor island facilities, which generally serve as the primary acute care providers for their respective communities, the Oahu Regional Health Care System care facilities almost exclusively provide safety-net, long-term care and adult-day health services to patients who are unable to find much-needed care in private facilities. Your Committee further finds that the Oahu Regional Health Care System care facilities provide care for incarcerated inmates released for compassionate care and psychiatric patients from the Hawaii State Hospital who have significant long-term care needs. The transfer 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.



Your Committee also finds that the Department of Health's Behavioral Health Administration is mandated by statute to assure a comprehensive statewide behavioral health care system by leveraging and coordinating public, private, and community resources. There is a significant gap in the behavioral health care system between acute psychiatric care facilities and low acuity residential treatment. This measure would provide additional pathways and resources for the State to better address behavioral health treatment, helping to break the cycle in and out of hospital emergency departments and relieve pressure on acute care hospital facilities, law enforcement entities, and other systems of care.

Your Committee has amended this measure by:

- (1) Deleting language that would have allowed instances of layoffs as an exception to automatic job retention for non-civil service employees for no less than one year after the transition;
- (2) Clarifying that the Department of Health is the expending agency for the general obligation bonds appropriation for improvements at Leahi Hospital and Maluhia; and
- (3) 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 Labor & Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 628, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 628, S.D. 2, H.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Tourism,



RICHARD H.K. ONISHI, Chair



