

Honolulu, Hawaii

APR 09 , 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 Finance, to which was referred S.B.
No. 628, S.D. 2, 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 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;



- (4) Prohibit the planned elimination or reduction of direct patient care services at Leahi Hospital or Maluhia unless certain conditions are met;
- (5) Establish a working group to enable the Oahu Regional Health Care System, Department of Health, Hawaii Health Systems Corporation, and other state agencies to develop, evaluate, and implement the processes required to complete the transition;
- (6) 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;
- (7) Authorize the issuance of general obligation bonds for improvements to Leahi Hospital and Maluhia; and
- (8) 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 University of Hawai'i System, Kapi'olani Medical Center for Women and Children, Hawaii Health Systems Corporation, 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; Department of Health; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and United Public Workers, AFSCME Local 646, AFL-CIO.

As affirmed by the record of votes of the members of your Committee on Finance 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. 2, and recommends that it pass Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



