

Honolulu, Hawaii

FEB 12 2021

RE: S.B. No. 628

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 628
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) Commence the transfer of the Oahu Regional Health Care System in its entirety from the Hawaii Health Systems Corporation to the Department of Health, beginning with the transfer of the Oahu Regional Health Care System's budget and position count into the Department of Health; and
- (2) Enable the Oahu Regional Health Care System, Department of Health, Hawaii Health Systems Corporation, and other state agencies to manage and implement the processes required to effectuate the completion of the transition.

Your Committee received testimony in support of this measure from the Oahu Region Hawaii Health Systems Corporation, University of Hawai'i System, Department of Health, 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.

Your Committee finds that, unlike the Hawaii Health System Corporation's neighbor island facilities, which are generally the primary care providers for their respective communities, the Oahu Region's 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. The Oahu Region also provides care for incarcerated inmates released for compassionate care and psychiatric patients from the Hawaii State Hospital who have significant long-term care needs. Your Committee finds that the Oahu Region operates more as a necessary social service than a health care business.

Your Committee further finds that to ensure the continued availability of long-term care beds for Oahu's aging population and facilitate more efficient use of the Oahu Region's facilities to address the need for additional social services such as mental health and substance use treatment, it would be beneficial to transition the Oahu Region into the Department of Health. This measure commences that transfer and enables the Oahu Regional Health Care System, Department of Health, and other state agencies, to manage and implement the completion of the transition.

Your Committee recognizes the testimony of the Department of the Attorney General, which offered proposed amendments that clarify the intent of the measure. Your Committee also recognizes the testimony of the Department of Health, which offered proposed amendments that clarify that the Oahu Regional Health Care System's budget, but not position count, will be transferred into the Department of Health. Finally, your Committee recognizes the Department of Health's proposed additions to the measure, which provide certain protections and exemptions to the Oahu Regional Health Care System and Inpatient Services Division of the Department of Health during and after transition, and prohibits the substantial reduction or elimination of direct patient care at any Oahu Regional Health Care System facility unless certain conditions are met.



Accordingly, your Committee has amended this measure by:

- (1) Amending the measure to clarify that the Oahu Regional Health Care System's position count will not be transferred into the Department of Health;
- (2) Making amendments to clarify the measure's intent;
- (3) Inserting a new part to the measure:
 - (A) Providing certain protections and exemptions to the Oahu Regional Health Care System and Inpatient Services Division of the Department of Health during and after transition; and
 - (B) Prohibiting the substantial reduction or elimination of direct patient care at any Oahu Regional Health Care System facility unless certain conditions are met;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 628, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 628, S.D. 1, and be referred to your Committees on Commerce and Consumer Protection and Ways and Means.

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

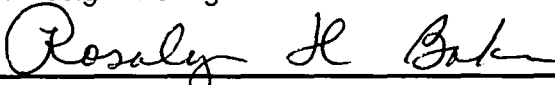


JARRETT KEOHOKALOLE, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* SB628	Committee Referral: HTH, CPN/WAM	Date: 2-10-2021		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
BAKER, Rosalyn (VC)	✓			
MORIWAKI, Sharon Y.	✓			
SAN BUENAVENTURA, Joy A.	✓			
FEVELLA, Kurt	✓			
TOTAL	5	—	—	—
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> 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