



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-FIRST LEGISLATURE, 2021**

ON THE FOLLOWING MEASURE:

S.B. NO. 628, RELATING TO THE TRANSITION OF THE OAHU REGIONAL HEALTH CARE SYSTEM FROM THE HAWAII HEALTH SYSTEMS CORPORATION INTO THE DEPARTMENT OF HEALTH.

BEFORE THE:

SENATE COMMITTEE ON HEALTH

DATE: Monday, February 8, 2021 **TIME:** 1:00 p.m.

LOCATION: State Capitol, Via Videoconference

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**
(For more information, contact Diane K. Taira,
Deputy Attorney General, at 587-3050)

Chair Keohokalole and Members of the Committee:

The Department of Attorney General provides the following comments on this measure.

The purpose of this measure is to transfer the Oahu regional health care system, a part of the Hawaii Health Systems Corporation, to the Department of Health. This transfer includes the transfer of property, including Maluhia and Leahi hospitals, employees, funding, and other things necessary to the operation of the Oahu regional health care system.

With regard to section 3 of the bill, we believe that the reference to the board on page 9, line 8, should be to a seventeen-member board, instead of an eighteen-member board as a result of the amendment on page 9, line 17.

With regard to section 4 of the bill, we recommend that the amendatory wording on page 15, lines 1 through 3 be amended to substitute the word "transition" with the word "transfer," so that it is clear that a transfer of property is anticipated. The provision would read as follows:

...unless such transfer is effectuated under paragraph (5), in which case real property shall transfer to the executive department.

With regard to section 5(a)(2)(D) of the bill, we recommend that the wording, “, except in the instance of discipline or layoffs,” be added starting on page 19, lines 21, so that subparagraph (D) reads as follows:

(D) Any employee who, prior to this Act, is exempt from civil service or collective bargaining and is transferred as a consequence of this Act shall be transferred without loss of salary and shall not suffer any loss of prior service credit, contractual rights, vacation or sick leave credits previously earned, or other employee benefits or privileges and, except in the instance of discipline or layoffs, shall be entitled to remain employed in the employee's current position for a period of no less than one year after the transition of the Oahu regional health care system into the department of health is complete;

This recommendation is made so as to preserve the ability to pursue layoffs or discipline, should either of those become necessary.

Thank you for the opportunity to submit testimony on this measure.



OAHU REGION HAWAII HEALTH SYSTEMS CORPORATION

Committee on Health
Senator Jarrett Keohokalole, Chair
Senator Rosalyn H. Baker, Vice-Chair

February 8, 2021, 1:00 P.M.
(Via Video Conference)
Hawaii State Capitol

Sean Sanada
Oahu Region Chief Administrative Officer
Hawaii Health Systems Corporation
Re: Testimony in Strong Support

SB 628, Relating to the Transition of the Oahu Regional Health Care System from the Hawaii Health Systems Corporation into the Department of Health

Chair Keohokalole, Vice-Chair Baker, and Members of the Committee on Health:

Aloha! We begin by thanking you, your colleagues, and your predecessors on this Committee for your support and guidance as we have tried our best to navigate the many challenges posed by COVID-19 while, at the same time, developing important plans for the future of our facilities. Needless to say, we have placed a high value on the input provided regarding our current operations and vision for potential strategic projects.

Through the leadership of the Oahu Regional Health Care System Board of Directors (hereinafter, "OR Board"), which has been heavily invested in every important initiative concerning the Oahu Region, the Oahu Region submits this testimony in **strong support** of SB 628.

Unlike the Hawaii Health System Corporation's (hereinafter, "HHSC") neighbor island facilities, which are generally the primary acute 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. Most of the patients admitted to Leahi Hospital and Maluhia are destitute and rely on Medicaid to fund their care. Private facilities will not admit them since their care tends to require a significant amount of resources and have low corresponding Medicaid reimbursement rates. The Oahu Region also provides care for incarcerated inmates released for compassionate care and psychiatric patients from the Hawaii State Hospital ("HSH") who have significant long-term care needs.

While HHSC and the regions were originally established and designed to be run like a corporate health care venture, the Oahu Region operates more as a necessary social service than a

health care business. We have little opportunity to increase revenues, yet our services are vital to the community. This will be especially true in the very near future given recent projections by the State of Hawaii, Department of Business, Economic Development and Tourism that the island of Oahu will require an additional 1,100 long-term care beds in the next 5-10 years alone.

To ensure the continued availability of long-term care beds for our 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, we believe that it would be beneficial to transition the Oahu Region from HHSC into the State of Hawaii Department of Health (hereinafter, "DOH").

As one example of the benefits that can be realized through a union with the DOH, the Oahu Region and DOH recently developed and implemented a pilot program to provide treatment for low-risk, non-violent HSH patients at Leahi Hospital. Given the pilot program's successes thus far, we anticipate that the program could be expanded to treat up to 32 total patients in the unit currently being occupied. If the program was expanded into other available spaces, this number could be more than doubled. Such expansion could free up higher acuity psychiatric beds within the HSH and enable the DOH to provide care for non-forensic patients in significant need of mental health treatment.

It should be noted that in order to make the foregoing pilot program a reality, the Oahu Region and DOH were required to enter into a series of agreements to ensure that we were individually compliant with our respective regulatory and insurance obligations and that inter-jurisdictional payments were addressed to cover the costs of ancillary services. Needless to say, if the Oahu Region became a part of the DOH, it is our belief that the pilot and other new programs could be initiated and streamlined more seamlessly.

With regard to the procedural approach taken by the instant bill, we agree that a working group is necessary to ensure that the transition is thoroughly planned and executed. In cooperation with the DOH and other members of the working group, we believe that we will be able to resolve the many complex issues inherent in this process and successfully effectuate the transition.

While we anticipate that more edits may become necessary to address unforeseen legal and logistical issues as SB 628 moves forward, we believe that this bill represents a significant step in the right direction.

Thank you for the opportunity to offer testimony in **strong support** of this very important measure.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Health
February 8, 2021 at 1:00 p.m.

by

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

SB 628 – RELATING TO THE TRANSITION OF THE OAHU REGIONAL HEALTH CARE SYSTEM FROM THE HAWAII HEALTH SYSTEMS CORPORATION INTO THE DEPARTMENT OF HEALTH

Chair Keohokalole, Vice Chair Baker, and members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) supports Senate Bill (SB) No. 628, Relating to the Transition of the O'ahu Regional Health Care System from the Hawai'i Health Systems Corporation (HHSC) into the Department of Health (DOH). This bill lays out a framework for moving the assets and the O'ahu-based functions of HHSC into the DOH. The bill explicitly identifies the UH as involved in aspects of the transition. The UH does not have any objections to the concept proposed in the bill, but recognize that much of the issues will be in the details.

The UH has a number of academic programs throughout its various campuses of relevance to the health care industry. SB No. 628 contemplates that the UH could partner and participate with the DOH on repositioning services offered by HHSC and/or redevelopment opportunities at Lē'ahi in advancing possible health services on the site. The UH does not object with this concept and believes we can be a very good partner in those regards.

The UH is the recorded landowner of the parcel where Lē'ahi Hospital is located. The UH also owns other parcels adjacent or near to Lē'ahi Hospital and Kapi'olani Community College. Under the current arrangement, UH has leased the Lē'ahi parcel to HHSC at no cost for decades. While the UH would not intend to displace HHSC from the Lē'ahi Hospital property, if HHSC were to no longer use the property, the UH would expect that any new use would be consistent and compatible with our nearby campus and properties. Additionally, the UH's strategic objective for real estate expects that non-UH use of real property will be to increase lease revenue, increase utility of the property for the UH, and/or increase broader academic opportunities. At this point, we are content that SB No. 628 recognizes and accommodates inclusion of UH's interest and potential returns in each of these regards.

Thank you for this opportunity to testify.



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Jarrett Keohokalole, Chair
The Honorable Rosalyn Baker, Vice Chair
Members, Senate Committee on Health

From: Colette Masunaga, Director, Government Relations & External Affairs, The Queen's Health Systems

Date: February 8, 2021

Re: Support for SB628: Relating to the Transition of the Oahu Regional Health Care System from the Hawaii Health Systems Corporation into the Department of Health

The Queen's Health Systems (Queen's) is a nonprofit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, and more than 1,500 affiliated physicians and providers statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to submit testimony in support of SB628, which transfers the Oahu regional health care system in from the Hawaii Health Systems Corporation to the Department of Health. We support this proposed bill as it seeks to ultimately expand access to beds and services for patients suffering from mental health and substance abuse disorders (including many MH-1 designated patients).

The Queen's Medical Center, Punchbowl has experienced disproportionate increases in the numbers of MH-1 patients brought to our facility over the years. In calendar year 2019, over 1,600 individuals were brought in on an MH-1. Although we have dedicated patient rooms for treating those with psychiatric illness, we have frequently experienced times when we are at capacity and must find space in our Emergency Department to evaluate and treat. SB628 will help address this pressure by aligning the DOH's focus on a comprehensive behavioral health continuum of care with the needed facilities and space found within the O'ahu region. We believe this could help alleviate pressure on our hospital system and help provide the appropriate level of care to those in need.

Thank you for allowing The Queen's Health Systems to testify in support of this measure.

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-First Legislature, State of Hawaii
The Senate
Committee on Health

Testimony by
Hawaii Government Employees Association
February 8, 2021

**S.B. 628 – RELATING TO THE TRANSITION OF THE
OAHU REGIONAL HEALTH CARE SYSTEM**

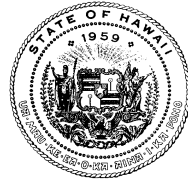
The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO would like to offer comments on S.B. 628 which transfers in its entirety the Oahu Region of the Hawaii Health Systems Corporation to the Department of Health, beginning with the Oahu Region budget and position count, and establishes a working group to develop a comprehensive plan for the transition. We appreciate the incorporation of our requested amendments to add protections for HHSC employees during the 2020 Legislative Session and the ongoing conversation about this issue.

While we are generally supportive of the proposed transition to the Department of Health and agree that this may be the best path forward for the Oahu Region and its employees, we also recognize that there continue to be many unanswered questions regarding the impact to staff operations. We want to ensure that if the budget transfer necessitates negotiation or consultation, that there is ample time to complete the requisite process. Further, we understand that the legislation empowers the transition working group to address a wide range of issues and therefore this measure itself cannot be prescriptive, however, this measure does not explicitly address whether the current HHSC staff will be required to provide behavioral health care services or what specific qualifications are necessary for continued employment. It is also unclear if the Department of Health will maintain or phase-out the current long-term care services and how it will expand its behavior health care services on the HHSC campuses. Therefore, we appreciate the opportunity for us to have a seat on the working group to ensure that our members have a voice at these meetings.

We appreciate the intent and extent that this measure takes to provide employees with job security and assurances that their rights and benefits will be preserved and we want to actively participate in a smooth transition for our members to the Department of Health. Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira
Executive Director



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
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LATE

**Testimony in SUPPORT of S.B. 628
RELATING TO THE TRANSITION OF THE OAHU REGIONAL HEALTH CARE SYSTEM FROM THE
HAWAII HEALTH SYSTEMS CORPORATION INTO THE DEPARTMENT OF HEALTH**

SENATOR JARRETT KEOHOKALOPE, CHAIR
SENATE COMMITTEE ON HEALTH

Hearing Date: 2/8/2021

Hearing Time: 1:00 p.m.

1 **Department Position:** The Department of Health (“Department”) **strongly supports** this
2 measure, offers comments and submits a proposed S.D. 1.

3 **Department Testimony:** The subject matter of this measure intersects with the scope of the
4 Department’s Behavioral Health Administration (BHA) whose statutory mandate is to assure a
5 comprehensive statewide behavioral health care system by leveraging and coordinating public,
6 private and community resources. Through the BHA, the Department is committed to carrying
7 out this mandate by reducing silos, ensuring behavioral health care is readily accessible, and
8 person-centered.

9 The Department strongly supports the goals of S.B. 628. There is a significant gap in the
10 behavioral health care system between acute psychiatric care facilities and low acuity
11 residential treatment. This measure would provide additional pathways and resources for the
12 state to better address much needed behavioral health treatment will help break the
13 “revolving door” cycle in hospital emergency departments and relieve pressure on acute care
14 hospital facilities, law enforcement entities, and other systems of care, including social and
15 legal services. This is a rare opportunity to add significant value to our residents’ quality of life
16 which benefits both public and private sectors.

1 The transition of the HHSC Oahu Region to the Department would ensure the continued
2 availability of long-term care beds for our aging population and facilitate more efficient use of
3 the HHSC Oahu Region’s facilities to address the need for additional behavioral health services
4 such as mental health and substance use treatment.

5 The Department has been working very closely with the HHSC Oahu Region to evaluate
6 both the viability and the process by which this transition would take place and this measure
7 reflects the continued discussion and evolution of this effort.

8 In addition to the HHSC Oahu Region, the Department is committed to collaborating
9 with the legislature, the Hawaii Government Employees Association (HGEA), the United Public
10 Workers Union (UPW), the HHSC, and community stakeholders in achieving the best interests
11 of all parties.

12 **Offered Amendments:** Please see attached for a proposed S.D. 1.

13 Thank you for the opportunity to testify on this measure.

14 **Fiscal Implications:** Undetermined.

S.B. 628 Amendments for Proposed S.D. 1

Requested Edits to Bill Language

- Part I, Section 1, Page 7/8:
 - (1) amend to read, “. . . beginning with the transfer of the Oahu regional health care system’s budget [~~and position count~~] into the department of health”
 - (2) amend to read, “. . . and other state agencies to [~~manage~~] develop and implement the processes and transactions required to effectuate the completion of the transition”
- Part II, Section 3, Page 13:
 - (e) amend to read, “(e) With regard to all corporation board matters concerning the Oahu regional health care system, the director of health and the Oahu board shall have sole decision-making authority over those matters, commencing on June 30, 2021, and continuing until the ~~transition~~ transfer of the Oahu regional health care system into the department of health is complete. Upon completion of the t~~ransition~~ transfer, the corporation board shall have no legal relationship with the Oahu regional health care system or its facilities.”
- Part II, Section 4 page 15
 - Amend paragraph starting on line 1 (Page 15) to read, “. . . provided that unless such a transfer that is effectuated pursuant to paragraph (5), real property shall transition in its then-existing state, whether in lease, fee or otherwise, to the executive department. . . .”
 - Amend section 323F-7.6(b) (1) to read, “. . . ~~unless~~ provided that under a transfer that is effectuated pursuant to subsection (a) (5), real property shall transition in its then-existing state, whether in lease, fee or otherwise, to the executive department. . . .”
- Part II, Section 5 page 17
 - (a) amend to read, “The transfer . . . shall commence with the transfer of the budget [~~and position count~~] associated with the Oahu region . . .”
 - (1) (B) amend to read, “The program code HTH shall be known as the inpatient behavioral and elder care

facilities division within the department of health's behavioral health administration...

- o (2) amend to read, "On June 30, 2021, ~~[the total position count and class specifications of the Oahu region shall be transferred in their entirety to the department of health and associated with HTH]~~ the transition working group identified in this Act shall have the authority to begin transferring, at its discretion, the positions and class specifications of the Oahu region from the Corporation's personnel system to that of the department of health; provided"
- o (2) (A) amend to read, "All employees of the Oahu Region who are employed as of June 30 2021 shall be transferred to the department of health before the transition of the Oahu regional health care system into the department of health is complete;" (This is meant to ensure that no employees will not lose their job by virtue of not being transferred)
- o (b) amend to read, "Upon effectuation of subsection (a), the Oahu regional board shall ~~[be placed within the department of health pursuant to section 26-35, Hawaii Revised Statutes, for the purposes of facilitating]~~, through the Oahu Regional Board Chair, facilitate the transition of the Oahu region into the department of health as part of the working group pursuant to this Act and ~~[to]~~ effectuate the assignment of all contracts and agreements in which the Oahu region is a party to the department of health.
- o Part III, Section 6
 - Add following members to the working group to serve in consultative capacity:
 - One representative from the Department of the Attorney General;
 - One representative from the Department of Budget and Finance
 - Delete the following language from subsections (d) (2)-(d) (6), "~~[provided that in all cases applicable and appropriate, section 26-35, Hawaii Revised Statutes, shall apply]"~~
- o Part III, Section 7
 - Delete subsection (3) in its entirety

- o Part IV, Section 9
 - Amend to read, "This Act shall take effect on upon approval; provided that part II of this Act shall take effect on July 1, 2021 and part II shall take effect on July 1, 2023.
 - NOTE: Part II statutorily removes the Oahu Region from HHSC. Despite the proposed effective date of July 1, 2023, the dissolution of the Oahu Region Board can take place once transition is completed.

Requested Additions to Bill (Protections/Exemptions/Etc.)

- During the transition period commencing on July 1, 2021 to and including the completion of the transition of the Oahu regional health care system from HHSC to the department of health, the Oahu regional health care system shall maintain the following rights/exemptions (derived from section 323F-7 and section 323F-9, Hawaii Revised Statutes):
 1. Ability to develop and implement its own policies, procedures, and rules necessary or appropriate to plan, operate, manage, and control its facilities without regard to chapter 91;
 2. Right to enter into and perform any contracts, leases, cooperative agreements, partnerships, or other transactions whatsoever that may be necessary or appropriate in the performance of its purposes and responsibilities, and on terms the regional system board may deem appropriate, with either:
 - Any agency or instrumentality of the United States, or with any state, territory, or possession, or with any subdivision thereof; or
 - Any person, firm, association, partnership, or corporation, whether operated on a for-profit or not-for-profit basis; provided that the transaction furthers the public interest;
 3. Ability to conduct activities and enter into business relationships as the regional system board, deems necessary or appropriate, including but not limited to:
 - Creating nonprofit corporations, including but not limited to charitable fund-raising foundations, to be controlled wholly by the regional system board, or jointly with others;

- Establishing, subscribing to, and owning stock in business corporations individually or jointly with others; and
 - Entering into partnerships and other joint venture arrangements, or participating in alliances, purchasing consortia, health insurance pools, or other cooperative arrangements, with any public or private entity; provided that any corporation, venture, or relationship entered into under this section furthers the public interest;
4. Right to execute, in accordance with all applicable bylaws, rules, and laws, all instruments necessary or appropriate in the exercise of any powers of the regional system board;
 5. As to suing and being sued, only the corporation may sue or be sued; provided further that the regional system board shall continue to enjoy the same sovereign immunity available to the State;
 6. Ability to make and alter regional system board bylaws and rules for its organization and management without regard to chapter 91;
 7. Right to enter into any contract or agreement whatsoever, not inconsistent with the laws of this State, and authorizing the regional system board and chief executive officer to enter into all contracts, execute all instruments, and do all things necessary or appropriate in the exercise of the powers granted in this chapter, including securing the payment of bonds; provided that contracts or agreements executed by a regional system board shall encumber only the regional subaccounts of that regional system board;
 8. Ability to own, purchase, lease, exchange, or otherwise acquire property, whether real, personal, or mixed, tangible or intangible, and of any interest therein, in the name of the regional system board; provided further that the regional system board shall be subject to section 323F-3.5;
 9. Right to contract for and accept any gifts, grants, and loans of funds, property, or any other aid in any form from the federal government, the State, any state agency, or any other source, or any combination thereof, and complying, subject to this chapter, with the terms and conditions thereof; provided that the

regional system board shall be responsible for contracting for and accepting any gifts, grants, loans, property, or other aid if intended to benefit the public health facilities and operations exclusively in its respective regional system;

10. Authority to provide health and medical services for the public directly or by agreement or lease with any person, firm, or private or public corporation, partnership, or association through or in the health facilities of the regional system board or otherwise; provided that the regional system board shall be responsible for conducting the activities under this paragraph solely within the regional system;
11. Right to approve medical staff bylaws, rules, and medical staff appointments and reappointments for all public health facilities of the regional system board, including but not limited to determining the conditions under which a health professional may be extended the privilege of practicing within a health facility, as determined by the respective regional system board, and adopting and implementing reasonable rules, without regard to chapter 91, for the credentialing and peer review of all persons and health professionals within the facility; provided that regional system boards shall be the governing body responsible for all medical staff organization, peer review, and credentialing activities to the extent allowed by law;
12. Ability to enter into any agreement with the State, including but not limited to contracts for the provision of goods, services, and facilities in support of the regional system boards' programs, and contracting for the provision of services to or on behalf of the State;
13. Authorization to develop internal policies and procedures for the procurement of goods and services, consistent with the goals of public accountability and public procurement practices, and subject to management and financial legislative audits; provided that: (a) The regional system board shall enjoy the exemption under section 103-53(e) and chapter 103D;
14. Right to authorize, establish and abolish positions;

15. Exemption of the regional system board from chapters 36 to 38, 40, 41D, and 103D as well as part I of chapter 92 and sections 102-2 and 103-53(e); and
 16. Right to employ or retain any attorney, by contract or otherwise, for the purpose of representing the regional system board in any litigation, rendering legal counsel, or drafting legal documents for the regional system board.
- Once the transition of the Oahu regional health care system from HHSC to the department of health is completed, the Inpatient Services Division of the department of health (hereinafter, the "Division"), which shall include the Oahu regional health care system facilities, Leahi Hospital and Maluhia, shall continue to maintain the following rights/exemptions:
 1. Ability to develop and implement its own policies, procedures, and rules necessary or appropriate to plan, operate, manage, and control its facilities without regard to chapter 91;
 2. Right to enter into and perform any contracts, leases, cooperative agreements, partnerships, or other transactions whatsoever that may be necessary or appropriate in the performance of its purposes and responsibilities, and on terms the Division may deem appropriate, with either:
 - Any agency or instrumentality of the United States, or with any state, territory, or possession, or with any subdivision thereof; or
 - Any person, firm, association, partnership, or corporation, whether operated on a for-profit or not-for-profit basis; provided that the transaction furthers the public interest;
 3. Ability to conduct activities and enter into business relationships as the Division deems necessary or appropriate, including but not limited to:
 - Creating nonprofit corporations, including but not limited to charitable fund-raising foundations, to be controlled wholly by the Division, or jointly with others;
 - Entering into partnerships and other joint venture arrangements, or participating in alliances, purchasing consortia, health insurance pools, or other cooperative arrangements, with

any public or private entity; provided that any corporation, venture, or relationship entered into under this section furthers the public interest;

4. Ability to make and alter facility bylaws and rules for its organization and management without regard to chapter 91;
 5. Right to contract for and accept any gifts, grants, and loans of funds, property, or any other aid in any form from the federal government, the State, any state agency, or any other source, or any combination thereof, and complying with the terms and conditions thereof;
 6. Authority to provide health and medical services for the public directly or by agreement or lease with any person, firm, or private or public corporation, partnership, or association through or in the health facilities of Division or otherwise;
 7. Right to approve medical staff bylaws, rules, and medical staff appointments and reappointments for all public health facilities of the Division, including but not limited to determining the conditions under which a health professional may be extended the privilege of practicing within a health facility, as determined by the Division or facility management, and adopting and implementing reasonable rules, without regard to chapter 91, for the credentialing and peer review of all persons and health professionals within the facility; provided that the Division or facility management shall be the governing body responsible for all medical staff organization, peer review, and credentialing activities to the extent allowed by law;
- For a period of two (2) years following the completed transition of the Oahu regional health care system from HHSC to the department of health, the Inpatient Services Division of the department of health (hereinafter, the "Division"), which shall include the Oahu regional health care system facilities, Leahi Hospital and Maluhia, shall continue to maintain the following rights/exemptions:
 1. Authorization to develop internal policies and procedures for the procurement of goods and services, consistent with the goals of public accountability and public procurement practices, and subject to management and financial legislative audits; provided

that: (a) the Division shall enjoy the exemptions under section 103-53(e) and chapter 103D.

- In regard to maintenance of long-term care services following the transition, required procedures (similar to 323F-31) must be followed prior to any substantial reduction or elimination of direct patient care services:
 1. No planned substantial reduction or elimination of direct patient care services at any facility shall be undertaken unless all of the following requirements are met:
 - An initial determination is made by the Division as to critical and emergency services which shall not be subject to reduction or elimination pursuant to this section;
 - The plan of the facility to substantially reduce or eliminate any direct patient care services at the health facility shall first be presented to the Director of the department of health for approval;
 - Subsequent to the requisite Director approval, the Division shall present the plan to the community in which the facility is located, at a community informational meeting, in order to obtain community input on the plan; and
 - After the community informational meeting, but at least twenty days prior to the implementation of the plan approved by the Director, the Director shall give notice of implementation of the plan to the governor, senate president, and the speaker of the house of representatives;
 - Implementation of the plan shall commence and continue, provided that no legislation is enacted that:
 - Requires the reinstatement and continuation of the direct patient care services that are subject to reduction or elimination under the plan; and
 - Includes an appropriation of additional moneys sufficient to adequately fund the mandated reinstatement and continuation of the subject direct patient care services.