

STAND. COM. REP. NO.

2490

Honolulu, Hawaii

FEB 18 2022

RE: S.B. No. 2595
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 2595
entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF HEALTH,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Extend the deadline by which the transfer of the Oahu Regional Health Care System from the Hawaii Health Systems Corporation to the Department of Health must be completed;
- (2) Set the procedure for the Oahu Regional Health Care System to request operational funding during the transition period;
- (3) Exempt the working group from chapter 92, Hawaii Revised Statutes; and
- (4) Appropriate moneys to facilitate the transition.

Your Committee received testimony in support of this measure from the University of Hawai'i System; Hawaii Health Systems Corporation Oahu Region; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and United Public Workers, AFSCME Local 646, AFL-CIO. Your Committee received comments on this measure



from the Department of Budget and Finance, Department of Health, Office of Information Practices, and Hawaii Health Systems Corporation.

Your Committee finds that Act 212, Session Laws of Hawaii 2021 (Act 212), requires the transfer of the Oahu Regional Health Care System facilities of the Hawaii Health Systems Corporation, comprising Leahi hospital and Maluhia, to the Department of Health. Act 212 set a date of December 1, 2023, for the transfer to be completed; however, because of the complexity of the transfer and the Department of Health's focus on the ongoing coronavirus disease 2019 pandemic and water contamination crisis resulting from the Red Hill Underground Bulk Fuel Storage Facility petroleum leak, the transfer will not be completed by the date contemplated by the Act. Therefore, this measure extends the deadline by which the requirements of Act 212 must be completed.

Your Committee notes the testimony of the Hawaii Health Systems Corporation and Department of Health, which proposed a potentially faster and cost saving alternative option to the Act 212 transition. This proposal statutorily creates a new attached quasi-agency such that the Oahu Region would be separate from the Hawaii Health Systems Corporation, maintain its current rights and benefits, including its own board of directors, while being attached to the Department of Health for budgetary purposes only.

Your Committee has amended this measure by:

- (1) Deleting the deadline dates by which the transition of the Oahu Regional Health Care System facilities must be completed;
- (2) Amending section 1 to reflect the unspecified date for the transition to occur;
- (3) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (4) 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. 2595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2595, S.D. 1, and be referred to your Committee on Ways and Means.

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



JARRETT KEOHOKALOLE, Chair



