

ACT 188

H.B. NO. 3326

A Bill for an Act Relating to Community Hospitals Division's Pilot Autonomy Project.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the autonomy pilot project to foster autonomous operation of Maui Memorial, Hilo, Kona, Kula, Maluhia, Kauai Veterans Memorial, Samuel Mahelona Memorial, and Leahi hospitals, has contributed effectively to expediting and improving the delivery of health care services by Hawaii's public hospital system. This pilot project has demonstrated positive benefits to the operating efficiency and the financial performance of the hospitals.

The purpose of this Act is to expand the pilot project to include four rural hospitals, a medical clinic, and the division staff office, in order that they may enjoy the same benefits of the pilot autonomy project.

SECTION 2. Act 8, Special Session Laws of Hawaii 1993, is amended by amending subsection (b) of section -209 of the chapter established in section 2 of the Act, to read as follows:

"(b) No department of the State, other than the attorney general, shall make any expenditure of public funds for the employment or retention by contract or otherwise of any attorney for the purpose of representing the State or such department in any litigation, rendering legal counsel to the department, or drafting legal documents for the department; provided that the foregoing provision shall not apply:

- (1) To the housing finance and development corporation or the public utilities commission;
- (2) To any court or judicial or legislative officer of the State;
- (3) To the legislative reference bureau;
- (4) To such compilation commission as may be constituted from time to time;
- (5) To the real estate commission in any action involving the real estate recovery fund, the contractors license board in any action involving the contractors recovery fund, and the trustees in any action involving the travel agency recovery fund;
- (6) To grand jury counsel;
- (7) To the office of Hawaiian affairs;
- (8) To the department of commerce and consumer affairs; provided that

its attorney shall be responsible for the prosecution of consumer complaints;

- (9) To the employees retirement system;
- (10) To the Hawaiian home lands trust individual claims review panel; [or]
- (11) To all community hospitals and the division of community hospitals for any attorney contracted by the hospitals through the attorney general; or

- [(11)] (12) In the event the attorney general, for reasons deemed by the attorney general good and sufficient, declines representation or counsel, or approves a department's expenditures; provided that the governor thereupon waives the provision of this section.

For the purpose of this section the term "department of the State" means any department, board, commission, agency, bureau, or officer of the State.

Every attorney employed by any department on a full-time basis, except an attorney employed as a grand jury counsel, the department of commerce and consumer affairs in prosecution of consumer complaints, or the Hawaiian home lands trust individual claims review panel, shall become a deputy attorney general."

SECTION 3. The director of health, with the approval of the governor, may establish and fill up to seventy-five health care specialty positions, without regard to chapters 76 and 77, Hawaii Revised Statutes, and assign them to the hospitals covered by the pilot autonomy project authorized in Act 211, Session Laws of Hawaii 1993.

SECTION 4. Nothing in this Act shall supersede collective bargaining agreements or statutes protecting employee rights or providing employee benefits. No employee shall be adversely affected by this Act.

SECTION 5. Act 211, Session Laws of Hawaii 1993, is amended by amending section 2 to read as follows:

"SECTION 2. The department of health, through its director, shall formulate policies for the autonomous operation of the community hospitals until June 30, 1996. The provisions of this Act shall apply to Hilo Hospital, Maui Memorial Hospital, Kona Hospital, Kauai Veterans Memorial Hospital, Leahi Hospital, Maluhia Hospital, Kula Hospital, [and] Samuel Mahelona Memorial Hospital[.], Ka'u Hospital, Honokaa Hospital, Kohala Hospital, Lanai Community Hospital, Hana Medical Center, and the division of community hospitals administrative staff office to the extent that it is acting on behalf of any or all of the community hospitals."

SECTION 6. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 2, 1994, and shall be repealed on June 30, 1996; provided section 103D-209, Hawaii Revised Statutes, shall be reenacted in the form in which it read on July 1, 1994.

(Approved June 21, 1994.)