

ACT 263

S.B. NO. 3198

A Bill for an Act Relating to Hana Medical Center.

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

SECTION 1. The legislature finds that the community of Hana is one of the most isolated areas in the State. Since early 1993, this community has undertaken a mission to address the health care needs of the area, identify the health-related problems in the Hana district, and develop a plan and implementation strategy to improve the health status of the area's residents.

To foster this mission, the Hana Health Committee was created to assure the provision of a community-based program of comprehensive primary care services in a cost-efficient manner by developing and using existing community resources. This committee recently produced a plan, Ho'o Ku'i Kahi, to create a community-based health care program for the Hana district. The plan also recommends an ongoing affiliation between the department of health and a nonprofit community-based organization. This affiliation will, among other objectives, assist in the transition of the Hana Medical Center from a state-operated facility into a nonprofit community health center designed to meet the specific needs of the area and will assure continued state financial support as needed.

The purpose of this Act is to:

- (1) Establish an affiliation between the State through the department of health and the community of Hana through a Hana nonprofit health care organization to support the development of a community-based health care program which will result in the transfer of the Hana Medical Center to a Hana nonprofit health care organization within the next two years;
- (2) Guarantee continuing state financial support to sustain this transition and the development of a community-based health care program; and
- (3) Assure that necessary financial and medical statistical data be made available by the department of health to enable the nonprofit organization and the department to reach a sensible agreement relating to subsidies necessary to keep the nonprofit financially stable.

SECTION 2. The department of health shall enter into a memorandum of agreement with a Hana nonprofit health care organization to support the recommendations of the Hana Health Committee's plan, Ho'o Ku'i Kahi, which shall include the following:

- (1) The department of health, through the division of community hospitals and the family health services division, shall work with and assist the Hana community in the development of a Hana-based nonprofit organization, and a detailed plan for the transition of the Hana Medical Center to a nonprofit organization;

- (2) The department of health shall release the Hana Medical Center from the division of community hospitals, effective July 1, 1997, upon the successful completion of the terms of the agreement and resolution of the following issues:
 - (A) The status of the current state employees working at the Hana Medical Center after the transition to the nonprofit organization;
 - (B) The continuing obligation of the State for ambulance and emergency services;
 - (C) The ability of the nonprofit organization to assume financial responsibility for the Hana Medical Center; and
 - (D) The successful negotiation of lease arrangements and capital improvements for the medical center, adjacent buildings, and the ten acre area, or so much as agreed upon, of the medical center campus.

SECTION 3. The department of health shall submit a report to the legislature no later than twenty days prior to the convening of the 1997 regular session that includes a description of the efforts to date, an explanation of the barriers to completion of the agreement, and recommendations for a process developed in conjunction with the Hana community, to complete the transition of the Hana Medical Center to a Hana community-based care organization.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 19, 1996.)¹

Note

1. This Act was approved on June 19, 1996, which is after the approval date (June 18, 1996) of Acts 266 through 286 and Act 288.