
A BILL FOR AN ACT

RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the Hawaii health
2 systems corporation is the fourth largest public hospital system
3 in the nation and operates public health care facilities that
4 provide essential safety-net hospital and long-term care
5 services throughout the State. Due to rapid changes in the
6 health care industry and the impending implementation of
7 national health care reform, the legislature acknowledges that
8 the corporation's governing board of directors (board) must have
9 the appropriate flexibility and autonomy needed for the
10 community hospitals to compete and remain viable.

11 The current board includes the five regional chief
12 executive officers serving as ex-officio, voting members. The
13 regional chief executive officers have been instrumental in
14 bringing additional expertise to the board during the time of
15 transition from a single corporation board to a multi-level
16 board system. In light of the successful establishment of the
17 regional system boards, the significant challenges imposed by an
18 ever-changing and complex health care environment, and the



1 desire for additional community participation, the legislature
2 finds it appropriate to include community members from each of
3 the regional systems.

4 In addition, the director of health is currently an ex-
5 officio, nonvoting member of the board. The legislature finds
6 that to increase the input of the administration and further the
7 implementation of public health policies, the director of health
8 should be given voting rights. In order to create an uneven
9 number of board members for voting purposes, an additional
10 member shall be appointed by the governor and serve as an at-
11 large member.

12 The purpose of this Act is to affirm the State's commitment
13 to providing quality health care for the people of the State by
14 including additional community members on the board and
15 designating the director of health as a voting member, thereby
16 improving the accountability and sustainability of the health
17 system. This Act will build on the excellent progress made by
18 the regional systems to coordinate service delivery and improve
19 the health of the island communities.

20 SECTION 2. Section 323F-3, Hawaii Revised Statutes, is
21 amended by amending subsections (a) and (b) to read as follows:



1 "(a) The corporation shall be governed by [~~a twelve-~~
2 ~~member~~] an eighteen-member board of directors that shall carry
3 out the duties and responsibilities of the corporation other
4 than those duties and responsibilities relating to the
5 establishment of any captive insurance company pursuant to
6 section 323F-7(c)(20) and the operation thereof.

7 (b) The members of the corporation board shall be
8 appointed as follows:

- 9 (1) The director of health as an ex-officio, [~~nonvoting~~]
10 voting member;
- 11 (2) The five regional chief executive officers as ex-
12 officio, voting members; [~~and~~]
- 13 (3) [~~Two~~] Three members who reside in the county of Maui
14 who shall be appointed by the Maui regional system
15 board;
- 16 (4) [~~One member~~] Two members who [~~resides~~] reside in the
17 eastern section of the county of Hawaii who shall be
18 appointed by the East Hawaii regional system board;
- 19 (5) [~~One member~~] Two members who [~~resides~~] reside in the
20 western section of the county of Hawaii who shall be
21 appointed by the West Hawaii regional system board;



- 1 (6) [~~One member~~] Two members who [~~resides~~] reside on the
2 island of Kauai who shall be appointed by the Kauai
3 regional system board; [~~and~~]
- 4 (7) [~~One member~~] Two members who [~~resides~~] reside on the
5 island of Oahu who shall be appointed by the Oahu
6 regional system board[~~;~~];and
- 7 (8) One member who shall be appointed by the governor and
8 serve as an at-large member.

9 The appointed board members who reside in the county of
10 Maui, eastern section of the county of Hawaii, western section
11 of the county of Hawaii, and on the island of Kauai and the
12 island of Oahu shall each serve for a term of four years;
13 provided that the terms of the initial appointments shall be as
14 follows: one of the initial members from the county of Maui
15 shall be appointed to serve a term of two years and the other
16 two members shall be appointed to serve a term of four years[~~;~~]
17 each; the initial member from East Hawaii shall be appointed to
18 serve a term of two years; the initial member from West Hawaii
19 shall be appointed to serve a term of four years; the initial
20 member from the island of Kauai shall be appointed to serve a
21 term of two years; and the initial member from the island of
22 Oahu shall be appointed to serve a term of four years. The at-



1 large member appointed by the governor shall serve a term of two
2 years.

3 Any vacancy shall be filled in the same manner provided for
4 the original appointments. The corporation board shall elect
5 its own chair from among its members. Appointments to the
6 corporation board shall be as representative as possible of the
7 system's stakeholders as outlined in this subsection."

8 SECTION 3. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Hawaii Health Systems Corporation; Board of Directors

Description:

Amends corporation board composition to add an at-large member appointed by the Governor, give voting rights to the ex-officio Director of Health member, and adding community members from the respective regional system boards. Effective 7/1/2050. (SD2)

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