

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 414
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 414,
S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS
CORPORATION,"

begs leave to report as follows:

The purpose of this measure is to authorize the Hawaii Health Systems Corporation to mortgage its real property and clarify that the dollar cap on municipal leasing authority applies to each regional system. The intent of this measure is to advance the State's commitment to provide quality health care for the people of Hawaii by giving the Hawaii Health Systems Corporation the ability to fully utilize its real property assets for the benefit of the community.

Your Committee received testimony in support of this measure from Maui Memorial Medical Center; Hawaii Medical Association; Health Care for All Hawaii; and one private citizen.

Your Committee finds that the current prohibition on mortgages of Hawaii Health Systems Corporation's real property has hindered the ability of the Corporation from obtaining outside financing and refinancing loans with more favorable terms. Your Committee further finds that the dollar cap on the Corporation's authority to enter into municipal leases is ambiguous because it is not clear if the aggregate limit is on the entire Hawaii Health Systems Corporation as a whole, or on each individual region. This measure will alleviate the confusion and remove the



hindrances associated with the Corporation's ability to obtain financing.

Your Committee has amended this measure by inserting an effective date of July 1, 2011, to allow for further discussion.

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. 414, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 414, S.D. 2, and be referred to the Committee on Ways and Means.

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



JOSH GREEN, M.D., Chair



