
A BILL FOR AN ACT

RELATING TO HEALTH.

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

1 SECTION 1. The legislature finds that there is a shortage
2 of long-term care beds in many areas of the State, including
3 Oahu. This shortage has placed an undue burden on acute care
4 hospitals that are experiencing a long list of patients who are
5 awaiting placement in a long-term care bed. The waitlist
6 problem presents quality of care issues for both patients who
7 are awaiting long-term care beds and patients who need acute
8 care beds.

9 The closing of Hawaii Medical Center further exacerbated
10 the shortage by eliminating a large number of available long-
11 term care beds along with the elimination of other needed
12 services. Furthermore, the number and types of beds eliminated
13 by the closing of Hawaii Medical Center could not be fully
14 absorbed by the existing facilities in the State.

15 Hawaii health systems corporation, the fourth largest
16 public hospital system in the nation, operates public health
17 care facilities that provide essential safety-net hospital and
18 long-term care services throughout the State. The legislature



1 further finds that Leahi hospital, a facility of the Hawaii
2 health systems corporation, can help alleviate the shortage of
3 long-term care beds, but needs major renovation.

4 Accordingly, the legislature finds that it is in the public
5 interest to establish a public-private partnership between the
6 owners of the facility previously known as Hawaii Medical
7 Center-East, located on Liliha Street in Honolulu, and the
8 Hawaii health systems corporation, to provide long-term care and
9 other health care services in the State.

10 The purpose of this Act is to provide for the health care
11 needs of the community by authorizing the Hawaii health systems
12 corporation to bring the Hawaii Medical Center-East facility
13 under its governance through formal affiliation or acquisition.

14 SECTION 2. (a) The Hawaii Medical Center-East on Oahu may
15 be assimilated into the Hawaii health systems corporation by
16 negotiation between the corporation and the owners of the Hawaii
17 Medical Center-East. Assimilation may be accomplished with the
18 creation of a new entity, a partnership, a long-term lease, or
19 any other vehicle determined to be in the best interests of the
20 public by the corporation board and as negotiated with the



1 owners of the Hawaii Medical Center-East. After assimilation,
2 Hawaii Medical Center-East shall be operated by the corporation,
3 either directly, through contractors, or through a subsidiary.

4 (b) None of the liabilities of Hawaii Medical Center-East
5 shall become liabilities of the corporation.

6 (c) The Hawaii Medical Center-East, once assimilated,
7 shall be exempt from chapter 102 and section 103-53, and its
8 board of directors, if any, shall be exempt from part I of
9 chapter 92.

10 (d) The purchase of goods and services by or on behalf of
11 Hawaii Medical Center-East, after assimilation, shall be exempt
12 from chapters 103D and 103F.

13 (e) Assimilation of Hawaii Medical Center-East into the
14 Hawaii health systems corporation shall be exempt from part VII
15 of chapter 323D.

16 SECTION 3. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so
18 much thereof as may be necessary for fiscal year 2012-2013 to
19 carry out the purposes of this Act, including the hiring or
20 contracting of staff.



1 The sum appropriated shall be expended by the Hawaii health
2 systems corporation for the purposes of this Act.

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



Report Title:

HHSC; Hawaii Medical Center-East; Appropriation

Description:

Authorizes the assimilation of Hawaii Medical Center-East into the Hawaii health systems corporation. Appropriates funds for the hiring or contracting of staff. Effective 07/01/2050.
(SD2)

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