

STAND. COM. REP. NO.

389

Honolulu, Hawaii

February 19, 2015

RE: H.B. No. 1075

H.D. 2

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1075, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to ensure continued access to health care services in the County of Maui by authorizing the Hawaii Health Systems Corporation (HHSC) Maui Regional System, in collaboration with a private entity, to transition one or more of its facilities, which include Maui Memorial Medical Center, Kula Hospital and Clinic, and Lanai Community Hospital, into a new private nonprofit corporation operated by the private entity and subject to HHSC oversight.

The Department of Budget and Finance; the Mayor of the County of Maui; Department of Management of the County of Maui; Hawaii Health Systems Corporation; Hawaii Health Systems Corporation Maui Region; Maui Memorial Medical Center; Hawaii Health Systems Corporation Kauai Regional Board; Healthcare Association of Hawaii; Hawaii Health Systems Corporation Maui Regional Board; Hawaii Pacific Health; Chamber of Commerce Hawaii; Kula Community Association; Hale Makua Health Services; Realtors Association of Maui; Goodfellow Bros., Inc.; and numerous individuals supported this measure. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and numerous individuals opposed this measure. The Department of the Attorney General; Office of Hawaiian Affairs; and two concerned individuals commented on this measure.

HB1075 HD2 HSCR LAB HMS 2015-1982



Your Committee notes the concerns raised by the Department of the Attorney General regarding the shift in liabilities between the State, HHSC, and HHSC Maui region through the lease and has amended this measure by:

- (1) Clarifying that transition shall occur upon the approval of the lease and management plan by the Governor and the Maui Regional System Board before it is subject to legal and financial review respectively;
- (2) Specifying that the assumption of various liabilities in regards to the transition shall be assumed as of the effective date of the lease;
- (3) Requesting the Governor, HHSC, and respective unions representing employees involved to meet and negotiate the transfer of employees and to submit recommendations, if any, to the Legislature; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1075, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1075, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,



MARK M. NAKASHIMA, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

HSCR 389

**Record of Votes of the Committee on Labor & Public Employment**

<b>Bill/Resolution No.:</b> HB 1075 HD1	<b>Committee Referral:</b> HLT, LAB, FIN	<b>Date:</b> 2/17/15		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	/			
2. KEOHOKALOLE, Jarrett (VC)	/			
3. AQUINO, Henry J.C.	/			
4. HAR, Sharon E.		/		
5. ICHIYAMA, Linda	/			
6. JOHANSON, Aaron Ling		/		
7. LOPRESTI, Matthew S.		/		
8. SAN BUENAVENTURA, Joy A.	/			
9. TAKAYAMA, Gregg	/			
10. TAKUMI, Roy M.	/			
11. YAMASHITA, Kyle T.	/			
12. TUPOLA, Andria P.L.		/		
<b>TOTAL (12)</b>	8	4		
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <span style="font-size: 8pt; margin-left: 100px;">committee acronym(s)</span>				
<b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				