

STAND. COM. REP. NO.

1081

Honolulu, Hawaii

MAR 19 , 2021

RE: S.B. No. 628
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Health, Human Services, & Homelessness, to which was referred S.B. No. 628, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE TRANSITION OF THE OAHU REGIONAL HEALTH CARE SYSTEM FROM THE HAWAII HEALTH SYSTEMS CORPORATION INTO THE DEPARTMENT OF HEALTH,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Commence the transfer of the Oahu Regional Health Care System in its entirety from the Hawaii Health Systems Corporation to the Department of Health, beginning with the transfer of the Oahu Regional Health Care System's budget into the Department of Health;
- (2) Enable the Oahu Regional Health Care System, Department of Health, Hawaii Health Systems Corporation, and other state agencies to develop and implement the processes and transactions required to effectuate the completion of the transition of the Oahu Regional Health Care System to the Department of Health; and

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- (3) Prohibit the planned elimination or reduction of direct patient care services at Leahi Hospital or Maluhia unless certain conditions are met.

Your Committee received testimony in support of this measure from the University of Hawai'i System, Department of Health, Oahu Region Hawaii Health Systems Corporation, and The Queen's Health Systems. Your Committee received comments on this measure from the Department of the Attorney General; State Procurement Office; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that, unlike the other Hawaii Health System Corporation facilities, the Oahu Regional Health Care System care facilities of Leahi Hospital and Maluhia, almost exclusively provide safety-net, long-term care and adult-day health services to patients who are unable to find much-needed care in private facilities. Your Committee further finds that Leahi Hospital and Maluhia provide compassionate care for incarcerated inmates and provide care for psychiatric patients from the Hawaii State Hospital who have significant long-term care needs. The transfer proposed by this measure will ensure continued availability of long-term care beds for the State's aging population and facilitate more efficient use of the facilities at Leahi Hospital and Maluhia.

Your Committee finds that H.B. No. 1282, H.D. 2, a substantially similar measure, was previously passed by the House.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of H.B. No. 1282, H.D. 2, a measure that:
 - (A) Commences the transfer of the Oahu Regional Health Care System in its entirety from the Hawaii Health Systems Corporation to the Department of Health, beginning with the transfer of the Oahu Regional Health Care System's budget into the Department of Health;
 - (B) Enables the Oahu Regional Health Care System, Department of Health, Hawaii Health Systems Corporation, and other state agencies to implement



the processes and transactions required to effectuate the completion of the transition;

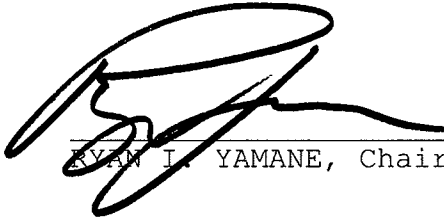
- (C) Requires the Department of Health to consult with the University of Hawaii regarding services provided at Leahi Hospital and Maluhia, and allow University of Hawaii students to rotate through those facilities for training purposes;
 - (D) Authorizes the Department of Health to pay rent to the University of Hawaii for the use of the Leahi Hospital property at a rate and on terms to be negotiated between the Department of Health and the University of Hawaii;
 - (E) Clarifies the rights, powers, and exemptions held by the Oahu Regional Health Care System during the transition period and the rights, powers, and exemptions held by the Inpatient Services Division of the Department of Health following completion of the transfer;
 - (F) Appropriates monies from the Mental Health and Substance Abuse Special Fund to expand and operate programs at Leahi Hospital and Maluhia that are mutually advantageous to the Department of Health, the Oahu region, and the State; and
 - (G) Authorizes the issuance of general obligation bonds and appropriate the proceeds of the bonds for improvements at Leahi Hospital and Maluhia;
- (2) Changing the effective date to July 1, 2060, to encourage further discussion; and
 - (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health, Human Services, & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 628, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto



as S.B. No. 628, S.D. 2, H.D. 1, and be referred to your Committee on Labor & Tourism.

Respectfully submitted on
behalf of the members of the
Committee on Health, Human
Services, & Homelessness,



RYAN I. YAMANE, Chair



