

JAN 25 2023

A BILL FOR AN ACT

RELATING TO THE REPEAL OF ACT 212, SESSION LAWS OF HAWAII 2021,
AS AMENDED BY ACT 150, SESSION LAWS OF HAWAII 2022.

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

1 SECTION 1. Act 212, Session Laws of Hawaii 2021, as
2 amended by Act 150, Session Laws of Hawaii 2022, is repealed.

3 SECTION 2. This Act shall take effect upon its approval.

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INTRODUCED BY: 

BY REQUEST

S.B. NO. 1369

Report Title:

Department of Health; Hawaii Health Systems Corporation Oahu
Region Transfer; Repeal

Description:

Repeals the requirement to transfer the Oahu Regional Health
care system in its entirety from the Hawaii Health Systems
Corporation to the Department of Health.

*The summary description of legislation appearing on this page is for informational purposes only and is
not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Health.

TITLE: A BILL FOR AN ACT RELATING TO THE REPEAL OF ACT 212, SESSION LAWS OF HAWAII 2021, AS AMENDED BY ACT 150, SESSION LAWS OF HAWAII 2022.

PURPOSE: Repeal the requirement to transfer the Oahu Regional Health Care System in its entirety from the Hawaii Health Systems Corporation (HHSC) to the Department of Health (DOH).

MEANS: Repeal Act 212, Session Laws of Hawaii (SLH) 2021.

JUSTIFICATION: The transfer of the Oahu Region of the Hawaii Health Systems Corporation is no longer necessary because 1) the goals of the transfer were accomplished through other means, and 2) the transfer requires additional one-time and ongoing appropriations to maintain certain essential functions that are unnecessary if Oahu Region remains in the Hawaii Health Systems Corporation.

The intent to transfer Leahi Hospital and Maluhia Hospital to DOH was to improve access to care for high acuity patients with mental health and substance diagnoses. To address this concern, the Oahu Region of the Hawaii Health Systems Corporation implemented crisis stabilization and related pilot programs. Because the pilot programs have improved access to and continuity of care for high acuity patients with mental health and substance use disorder diagnoses, the need to transfer the Oahu region to DOH is significantly reduced.

Furthermore, the working group authorized by Act 212, SLH 2021, with the assistance of consultants, identified that a one-time appropriation of \$10,300,000 and recurring appropriations of \$5,000,000 annually, plus

additional new full-time employees would be required to assure operational continuity under DOH. By remaining with HHSC, these recurring expenses are unnecessary while achieving the programmatic goals.

Lastly, the creation of a line-time budget code for Oahu Region in 2021 in the Executive Budget established parity with other HHSC regions by authorizing that Oahu Region may autonomously advocate for resources.

Impact on the public: N/A.

Impact on the department and other agencies:
Prevent unanticipated operational disruptions and recurring expenses to Oahu regional health care system.

GENERAL FUND: N/A.

OTHER FUNDS: N/A.

PPBS PROGRAM
DESIGNATION: HTH-495.

OTHER AFFECTED
AGENCIES: Hawaii Health Systems Corporation;
Department of Budget and Finance.

EFFECTIVE DATE: Upon approval.