



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-FIRST LEGISLATURE, 2021**

ON THE FOLLOWING MEASURE:

H.B. NO. 1282, H.D. 2, S.D. 1, RELATING TO THE TRANSITION OF THE OAHU REGIONAL HEALTH CARE SYSTEM FROM THE HAWAII HEALTH SYSTEMS CORPORATION INTO THE DEPARTMENT OF HEALTH.

BEFORE THE:

SENATE COMMITTEES ON JUDICIARY AND ON WAYS AND MEANS

DATE: Tuesday, April 6, 2021 **TIME:** 9:55 a.m.

LOCATION: State Capitol, Room 211, Via Videoconference

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**
(For more information, contact Diane K. Taira,
Deputy Attorney General, at 587-3050)

Chairs Rhoads and Dela Cruz and Members of the Committees:

The Department of Attorney General provides the following comments on this measure.

The purpose of this measure is to transfer the Oahu regional health care system, a part of the Hawaii Health Systems Corporation, to the Department of Health. This transfer includes the transfer of property, including Maluhia and Leahi hospitals, employees, funding, and other things necessary to the operation of the Oahu regional health care system.

Section 7 of the bill, which exempts the Oahu regional system board (Board) from various administrative provisions of the Hawaii Revised Statutes (HRS), applicable to most state agencies, may lead to some unintended consequences. See page 34, lines 19-21. For example, the bill exempts the Board from chapter 36, HRS, Management of State Funds. If the Board needed to obtain a short-term loan from the Director of Finance, it would not be able to do so because section 36-24, HRS, would not be operative. In addition, because the Board would be exempt from chapter 38, HRS, Deposits of Public Funds, it would not have the benefits of the State's collateralization of deposits of moneys in excess of the insurance limits on deposits in

financial institutions. The Committees may want to consider these types of ramifications in moving this bill forward.

Thank you for the opportunity to submit testimony on this measure.



**OAHU REGION
HAWAII HEALTH SYSTEMS CORPORATION**

**Committee on Judiciary
Senator Karl Rhoads, Chair
Senator Jarrett Keohokalole, Vice-Chair**

**Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice-Chair**

April 6, 2021, 9:55 A.M.
(Via Video Conference)
Conference Room 211
Hawaii State Capitol

Sean Sanada
Oahu Region Chief Administrative Officer
Hawaii Health Systems Corporation
Re: Testimony in Strong Support

HB 1282, HD2, SD1 Relating to the Transition of the Oahu Regional Health Care System from the Hawaii Health Systems Corporation into the Department of Health

Chairs Rhoads and Dela Cruz, Vice-Chairs Keohokalole and Keith-Agaran, and Members of the Committees on Judiciary and Ways and Means:

As you are aware, HB 1282, H.D.2, S.D.1 is the House companion bill to SB 628, S.D.2., H.D.1. Based on our reading of the two measures, both appear essentially identical regarding all material terms. The Oahu Region accordingly submits this testimony in **strong support** of HB 1282 for the same reasons previously expressed in regard to SB 628.

While we anticipate that more edits may become necessary to address unforeseen legal and logistical issues as HB 1282 moves forward, we believe that this bill represents a significant step in the right direction. We will continue to work with the Department of Health and gather input from other important stakeholders to address any new issues as they arise.

Thank you for the opportunity to offer testimony in **strong support** of this very important measure.



Tuesday, April 6, 2021 9:30 am

Via Video Conference

Senate Committee on Judiciary

To: Senator Karl Rhoads, Chair
Senator Jarrett Keohokalole, Vice Chair

Senate Committee on Ways and Means

To: Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair

From: Gidget Ruscetta, Chief Operating Officer

Re: **Testimony in Support of HB 1282, HD2, SD1**

My name is Gidget Ruscetta, and I serve as the Chief Operating Officer at Kapi'olani Medical Center for Women and Children (Kapi'olani). Kapi'olani is an affiliate of Hawaii Pacific Health. Kapi'olani Medical Center is the state's only maternity, newborn and pediatric specialty hospital. It is also a tertiary care, medical teaching and research facility.

Kapi'olani writes in **support** of HB 1282, HD2, SD1 which commences the transfer of the Oahu Regional health care system in its entirety from the Hawai'i Health Systems Corporation (HHSC) to the Department of Health (DOH).

As the only pediatric hospital in the state, we have experienced nearly a tripling of the number of adolescent behavioral health patients presented to our emergency room requiring short term in-patient bed treatment. Adolescents requiring behavioral health services in our emergency room from November to February increased from 15 in 2020 to 45 in 2021. This has resulted in a 300% increase in adolescent patients with behavioral health needs who remain as boarders in an emergency room setting requiring 24 hour supervision until residential bed facility is available. For some adolescent patients this boarding period has lasted up to 13 days. This situation is neither appropriate for the patient nor an efficient use of scarce acute care hospital resources.

We understand that the details of the potential services and delivery methods related to the O'ahu Region into Department of Health proposed under HB 1282 remain to be clarified. However we hope the transition and repurposing of the O'ahu region facilities could potentially alleviate the current crisis related to the growing need of adolescent behavioral health bed capacity that our community is confronting.

Thank you for the opportunity to testify.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

LATE

The Thirty-First Legislature, State of Hawaii
The Senate
Committee on Judiciary
Committee on Ways & Means

Testimony by
Hawaii Government Employees Association
April 6, 2021

H.B. 1282, H.D. 2 – RELATING TO THE TRANSITION OF THE
OAHU REGIONAL HEALTH CARE SYSTEM

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO would like to offer comments to H.B. 1282, H.D. 2, S.D. 1 which transfers in its entirety the Oahu Region of the Hawaii Health Systems Corporation to the Department of Health, beginning with the Oahu Region budget, and establishes a working group to develop a comprehensive plan for the transition. **We appreciate the amendments made by the previous Senate Committees to address our concerns about the layoff provisions.**

We are generally supportive of the transition to the Department of Health and agree that this may be the best path forward for the Oahu Region and its employees, however we also recognize that there continue to be many unanswered questions regarding the impact to staff operations. We want to ensure that if the budget transfer necessitates negotiation or consultation, that there is ample time to complete the requisite process. Further, we understand that the legislation empowers the transition working group to address a wide range of issues and therefore this measure itself cannot be prescriptive, however, this measure does not explicitly address whether the current HHSC staff will be required to provide behavioral health care services or what specific qualifications are necessary for continued employment. It is also unclear if the Department of Health will maintain or phase-out the current long-term care services and how it will expand its behavior health care services on the HHSC campuses. Therefore, we appreciate the opportunity for us to have a seat on the working group to ensure that our members have a voice at these meetings.

We appreciate the intent and extent that this measure takes to provide employees with job security and assurances that their rights and benefits will be preserved and we want to actively participate in a smooth transition for our members to the Department of Health.

Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira
Executive Director



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

LATE

Testimony Presented Before the
Senate Committee on Judiciary
and

Senate Committee on Ways and Means
April 6, 2021 at 9:55 a.m.

by

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

HB 1282 HD2 SD1 – RELATING TO THE TRANSITION OF THE OAHU REGIONAL HEALTH CARE SYSTEM FROM THE HAWAII HEALTH SYSTEMS CORPORATION INTO THE DEPARTMENT OF HEALTH

Chairs Rhoads and Dela Cruz, Vice Chairs Keohokalole and Keith-Agaran, and members of the Committees:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) supports House Bill (HB) No. 1282 HD2 SD1, Relating to the Transition of the O'ahu Regional Health Care System from the Hawai'i Health Systems Corporation (HHSC) into the Department of Health (DOH). This bill lays out a framework for moving the assets and the O'ahu-based functions of HHSC into the DOH. The bill explicitly identifies the UH as involved in aspects of the transition. The UH does not have any objections to the concept proposed in the bill, but recognize that much of the issues will be in the details.

The UH has a number of academic programs throughout its various campuses of relevance to the health care industry. HB No. 1282 HD2 SD1 contemplates that the UH could partner and participate with the DOH on repositioning services offered by HHSC and/or redevelopment opportunities at Lē'ahi in advancing possible health services on the site. The UH does not object with this concept and believes we can be a very good partner in those regards.

The UH is the recorded landowner of the parcel where Lē'ahi Hospital is located. The UH also owns other parcels adjacent or near to Lē'ahi Hospital and Kapi'olani Community College. Under the current arrangement, UH has leased the Lē'ahi parcel to HHSC at no cost for decades. While the UH would not intend to displace HHSC from the Lē'ahi Hospital property, if HHSC were to no longer use the property, the UH would instead expect to increase lease revenue, increase utility of the property for the UH, and/or increase broader academic opportunities on the property. We are content that HB No. 1282 HD2 SD1 recognizes and accommodates inclusion of UH's interest and potential returns in each of these regards.

Thank you for this opportunity to testify.



LATE

**THE SENATE
THE THIRTY-FIRST LEGISLATURE
REGULAR SESSION OF 2021**

COMMITTEES ON JUDICIARY AND WAYS AND MEANS

Senator Karl Rhoads, Chair
Senator Jarrett Keohokalole, Vice Chair

Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair

Tuesday, April 6, 2021, 9:55 AM
Conference Room 211 and Via Videoconference

Re: Testimony on HB1282 HD2, SD1 – RELATING TO THE TRANSITION OF THE OAHU REGIONAL HEALTH CARE SYSTEM FROM THE HAWAII HEALTH SYSTEMS CORPORATION INTO THE DEPARTMENT OF HEALTH

Chairs Rhoads and Dela Cruz, Vice Chairs Keohokalole and Keith-Agaran, and Members of the Committees on Judiciary and Ways and Means:

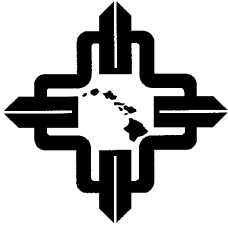
The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents 1,500 members in the private sector.

UPW **offers the following comments on** HB1282 HD2, SD1 which 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, and other provisions. UPW recognizes the intent of this measure in regard to trying to find the best path forward for the Oahu region and its employees. As we do have members that would be affected by this transfer, we respectfully ask the Legislature to provide ample time to ensure this transfer is successful. We appreciate that this bill includes provisions to protect employees during the proposed transfer including, “no loss of salary; seniority, except as prescribed by applicable collective bargaining agreements; retention points; prior service credits; any vacation and sick leave credits previously earned; and other rights, benefits, and privileges, in accordance with state employment laws.” The transition working group included in the legislation would also be permitted to address other issues with the proposed transition, and UPW appreciates the opportunity to have a representative in the group.

Thank you for the opportunity to submit this testimony.

**UNITED PUBLIC WORKERS
AFSCME Local 646, AFL-CIO**





HAWAII HEALTH SYSTEMS
C O R P O R A T I O N
Quality Healthcare For All

LATE

SENATE COMMITTEE ON JUDICIARY
and
SENATE COMMITTEE ON WAYS and MEANS

April 6, 2021

9:55 a.m.

Via Videoconference

Testimony in Support
House Bill 1282, H.D.2, S.D.1
RELATING TO THE TRANSITION OF THE OAHU REGIONAL HEALTH CARE
SYSTEM FROM THE HAWAII HEALTH SYSTEMS CORPORATION INTO THE
DEPARTMENT OF HEALTH.

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawaii Health Systems Corporation

On behalf of the Hawaii Health Systems Corporation (HHSC) Corporate Board of Directors, thank you for the opportunity to present testimony in **support of H.B. 1282, HD2, SD1.**

The HHSC Corporate Board of Directors recognizes the differences in its regional systems and the statutory right of each HHSC region to operate their facilities and plan for the best future benefit to the communities they serve. As such, the HHSC Corporate Board of Directors has been and continues to be supportive of the HHSC Oahu regional health care system's direction and efforts that are represented in this measure.

Thank you for the opportunity to present testimony.

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HILO • HONOKAA • KAU • KONA • KOHALA • WAIMEA • KAPAA • HONOLULU
<https://www.hhsc.org>