
A BILL FOR AN ACT

RELATING TO A GRANT TO KAHUKU HOSPITAL.

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

1 SECTION 1. The legislature finds that it is in the public
2 interest to keep Kahuku hospital operating to serve the
3 residents of the north shore of Oahu by enabling it to file for
4 chapter 11 reorganization bankruptcy, rather than for chapter 7
5 liquidation bankruptcy, which would allow the hospital to:

- 6 (1) Continue operations;
7 (2) Preserve its hospital license;
8 (3) Retain its certificate of need and critical access
9 hospital designation;
10 (4) Reorganize; and
11 (5) Settle its debts.

12 The board of directors of Kahuku hospital has agreed to
13 continue the hospital's operations into the first half of 2007
14 under a chapter 11 reorganization proceeding pending the
15 enactment of legislation that will have the effect of causing
16 Kahuku hospital to be acquired by the Hawaii health systems
17 corporation, or otherwise to become affiliated with the Hawaii
18 health systems corporation.



1 The purpose of this Act is to appropriate a grant, pursuant
2 to chapter 42F, Hawaii Revised Statutes, to Kahuku hospital on
3 Oahu for fiscal year 2006-2007.

4 The grant will permit Kahuku hospital to maintain
5 operations and to cover the costs associated with the chapter 11
6 reorganization and the potential transfer of hospital operations
7 to the Hawaii health systems corporation.

8 SECTION 2. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$ or so much
10 thereof as may be necessary for fiscal year 2006-2007 as a grant
11 pursuant to chapter 42F, Hawaii Revised Statutes, to Kahuku
12 hospital on Oahu; provided that the grant shall be funded by an
13 emergency appropriation approved by the legislature during this
14 regular session of 2007, whether before or after the effective
15 date of this Act, authorized for that purpose.

16 The sum appropriated shall be expended by the department of
17 health for the purposes of this Act.

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



Report Title:

Kahuku Hospital; Grant

Description:

Appropriates funds as a grant to Kahuku hospital from the emergency appropriation approved by the legislature during the regular session of 2007 to permit it to maintain operations and cover costs of reorganization and to transfer it to the Hawaii health systems corporation. (HB965 HD1)

