

STAND. COM. REP. NO.

386

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 44  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committees on Health and Labor, to which was referred  
S.B. No. 44 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS  
CORPORATION,"

beg leave to report as follows:

The purpose of this measure is to ensure the long term  
financial and operational viability of the Hawaii Health Systems  
Corporation.

Specifically, the measure:

- (1) Requires the Department of Health, on July 1, 2009, to assume the total amount of all liabilities and debts or other obligations of the Hawaii Health Systems Corporation that had been accrued up to June 30, 1996, by the community hospitals while they were operating within the Division of Community Hospitals of the Department of Health;
- (2) Requires the Hawaii Health Systems Corporation to bear the sole responsibility for assuming all liabilities and debts or other obligations accrued beginning on July 1, 1996, and thereafter, by the community hospitals operating within the Hawaii Health Systems Corporation; and



- (3) Establishes that the Hawaii Health Systems Corporation shall bear sole responsibility for making all appropriate employer payments into funds of the Employees' Retirement System under chapter 88, Hawaii Revised Statutes beginning on July 1, 1996, and thereafter.

Your Committees received testimony in support of this measure from the Hawaii Health Systems Corporation; Kauai Region of the Hawaii Health Systems Corporation; and Kona Community Hospital. Comments were received from the Department of Health. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees note that this measure also requires the Department of Health to report to the Legislature on the details of the total amount of liabilities and debts or other obligations transferred from the Hawaii Health Systems Corporation and assumed by the Department of Health no later than December 1, 2009.

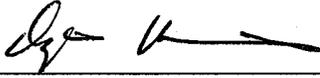
Your Committees find that since the formation of the Hawaii Health Systems Corporation on June 30, 1996, it has been unable to satisfy accrued liabilities of the community hospitals. The Hawaii Health Systems Corporation regions and their facilities are in severe financial crisis. According to testimony of the Hawaii Health Systems Corporation, the projection is for a continuing financial stress for years to come that will worsen over time. This situation presents a potential crisis that may seriously affect the delivery of health care to Hawaii's residents by community hospitals statewide, especially health facilities on the neighbor islands.

Your Committees have amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the records of votes of the members of your Committees on Health and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 44, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 44, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committees on Health and Labor,



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DWIGHT Y. TAKAMINE, Chair



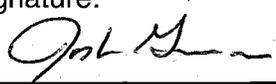
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DAVID Y. IGE, Chair



The Senate  
 Twenty-Fifth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Health**  
**HTH**

Bill / Resolution No.:*	Committee Referral:	Date:
<i>SB 44</i>	<i>HTH/LBR, WAM</i>	<i>2-18-9</i>
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended <small>2312</small>		
<input checked="" type="checkbox"/> Pass, with amendments <small>2311</small>		
<input type="checkbox"/> Hold <small>2310</small>		
<input type="checkbox"/> Recommit <small>2313</small>		
Members	Aye	Aye (WR)
Nay	Excused	
IGE, David Y. (C)	✓	
GREEN, M.D., Josh (VC)	✓	
BAKER, Rosalyn H.	✓	
ESPERO, Will	✓	
NISHIHARA, Clarence K.	✓	
HEMMINGS, Fred		✓
<b>TOTAL</b>	<i>5</i>	<i>0</i>
<i>1</i>	<i>0</i>	<i>0</i>
Recommendation:		
<input checked="" type="checkbox"/> Adopted		
<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
<b>Distribution:</b>		
Original	Yellow	Pink
File with Committee Report	Clerk's Office	Drafting Agency
		Goldenrod
		Committee File Copy

\*Only one measure per Record of Votes

The Senate  
 Twenty-Fifth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Labor**  
**LBR**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB44	HTH/LBR, WAN	2/19/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TAKAMINE, Dwight Y. (C)	X			X
TANIGUCHI, Brian T. (VC)				X
BUNDA, Robert	X			
HEE, Clayton	X			
SLOM, Sam				X
<b>TOTAL</b>	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designer's Signature: 				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

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