

Honolulu, Hawaii  
**April 4**, 2014

RE: S.B. No. 3064  
S.D. 2  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 3064, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to authorize the Hawaii Health Systems Corporation (HHSC) and its regional systems to transition to a new healthcare management system to be organized as either a nonprofit or public benefit corporation. This authorization replaces the previous statutory authorization for the transition of HHSC regional systems or health facilities to a new entity pursuant to section 323F-7.6, Hawaii Revised Statutes, and, among other things, includes the setting of the following transition procedures:

- (1) The establishment of a transition committee, chaired by the Governor or Governor's designee, that is tasked with assisting the Governor with the planning, implementation, review, and negotiation of the transition; and
- (2) Specifying procedures for the transitioning of HHSC or HHSC regional system employees, including the creation of a new bargaining unit (15) and the requirement that employees separated from service as a result of the



transition suffer no loss of earned retirement allowance.

HHSC, Maui Region; HHSC, East Hawaii Region Board of Directors; Hale Makua Health Services; Maui Hotel & Lodging Association; Japanese Chamber of Commerce & Industry of Hawaii; and numerous individuals testified in support of this measure. The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and an individual testified in opposition to this measure. The Office of the Governor; Employees' Retirement System; Department of Budget and Finance; HHSC; Office of the Mayor, County of Maui; Maui Memorial Medical Center; West Maui Hospital and Medical Center Foundation; Healthcare Association of Hawaii; Hawaii Pacific Health; Maui Chest Medicine; and numerous individuals provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3064, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
SYLVIA LUKE, Chair



HSCR 1654-14

Bill/Resolution No.: SB 3064, SD2, HD1		Committee Referral: HLT/LAB, FIN		Date: 4/1/2014
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)	/			
2. NISHIMOTO, Scott Y. (VC)	/			
3. JOHANSON, Aaron Ling (VC)		/		
4. CULLEN, Ty J.K.		/		
5. HASHEM, Mark J.				/
6. ING, Kaniela		/		
7. JORDAN, Jo	/	/		
8. KOBAYASHI, Bertrand	/	/		
9. LOWEN, Nicole E.		/		
10. MORIKAWA, Dee		/		
11. ONISHI, Richard H.K.		/		
12. TAKAYAMA, Gregg	/			
13. TOKIOKA, James Kunane	/			
14. WOODSON, Justin H.				/
15. YAMASHITA, Kyle T.	/	/		
16. FUKUMOTO, Beth		/		/
17. WARD, Gene		/		/
TOTAL (17)	Syn 42 6	8		3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				