
A BILL FOR AN ACT

RELATING TO CAPITAL IMPROVEMENT PROJECTS FOR THE BENEFIT OF THE
FORTY-SIXTH REPRESENTATIVE DISTRICT.

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

1 SECTION 1. The legislature finds that over the past ten
2 years, Wahiawa General Hospital has experienced severe financial
3 difficulties due to circumstances beyond its control. These
4 circumstances have included:

5 (1) The reopening of Queen's Medical Center West Oahu in
6 Ewa, Oahu;

7 (2) Reductions in medicare, medicaid, and private
8 insurance reimbursements;

9 (3) The shortage of physicians in the State and in
10 particular, central Oahu;

11 (4) New requirements under the federal Patient Protection
12 and Affordable Care Act; and

13 (5) Increases in indigent care, which includes the
14 homeless population.

15 When Hawaii Medical Center-West closed in 2012, Wahiawa
16 General Hospital experienced nearly double the cases for acute



1 inpatient care. Patients who would have gone to Hawaii Medical
2 Center-West were diverted to Wahiawa General Hospital.

3 The Wahiawa General Hospital emergency room, which was
4 originally designed to handle ten thousand cases per year,
5 treated over twenty thousand cases as patients who would have
6 gone to Hawaii Medical Center-West were transported to Wahiawa
7 General Hospital. Ambulance visits increased by 20 per cent.

8 To meet this increase in demand, Wahiawa General Hospital
9 hired more staff and made improvements to the emergency room.
10 However, when Hawaii Medical Center-West was purchased by the
11 Queen's Medical Center West Oahu, the number of emergency room
12 cases sent to Wahiawa General Hospital decreased significantly,
13 leading to a drop of approximately 20 per cent per month. By
14 the end of the 2015 fiscal year, Wahiawa General Hospital
15 experienced losses of more than \$7,500,000 in revenues.

16 The legislature further finds that when a person goes to
17 the hospital their costs are generally paid through medical
18 insurance. For persons who are seniors, disabled, or poor,
19 their health costs are covered by the federal medicare program,
20 or by the State medicaid program. Both of these programs have
21 limitations on the amounts that may be reimbursed for services



1 rendered, as specified by law. From a practical standpoint,
2 persons who are covered by medicare and medicaid are being
3 served at a financial loss by the physician and hospital.

4 More than 85 per cent of the patients at Wahiawa General
5 Hospital are covered under medicare or medicaid. Only 14 per
6 cent of admissions are patients with private insurance. There
7 are far too few of these patients who are available to offset
8 the losses experienced from the medicare and medicaid patients.
9 Accordingly, losses from medicare and medicaid have been
10 absorbed by Wahiawa General Hospital.

11 The legislature further finds that Wahiawa General Hospital
12 serves a community with a higher shortage of doctors than Hawaii
13 Island, Molokai, and most of Maui. The shortage of private care
14 physicians on Oahu has forced Wahiawa General Hospital to spend
15 an additional \$1,700,000 per year to acquire specialized
16 inpatient hospitalists and on-call surgeons to treat patients.
17 These physicians are needed at Wahiawa General Hospital because
18 95 per cent of inpatient admissions are through emergency
19 services.

20 By law, Wahiawa General Hospital is required to treat
21 patients for emergency care regardless of the patient's ability



1 to pay. As the homeless population surrounding Wahiawa General
2 Hospital has grown, the number of indigent care cases has also
3 increased, and the number of homeless individuals in central
4 Oahu and the North Shore only continues to grow. Without any
5 reimbursement available for many of these cases, costs of care
6 must be absorbed solely by Wahiawa General Hospital.

7 To address these circumstances, Wahiawa General Hospital
8 has cut its programs, services, and personnel, while allowing
9 basic repair and maintenance of the infrastructure to go unmet.
10 Among other things, Wahiawa General Hospital reduced staff by
11 approximately seventy-five full-time equivalent positions,
12 eliminated the long-running family practice residency teaching
13 program, and cut more than \$9,000,000 from the annual budget.

14 The legislature acknowledges that Wahiawa General Hospital
15 is the only facility that provided emergency medical services in
16 a vast geographical area extending from Mililani to Wahiawa,
17 Waialua, Haleiwa, and Sunset - an area encompassing nearly one-
18 third of the island of Oahu.

19 If Wahiawa General Hospital were to close, the nearest
20 emergency room for a person living in Wahiawa would be either



1 Pali Momi near Pearlridge or Queen's Medical Center West Oahu -
2 both of which are approximately fourteen miles away.

3 For persons living in Mokuleia or Sunset, the distance
4 would be thirty miles, or double the distance it currently takes
5 to go to Wahiawa General Hospital.

6 Furthermore, Wahiawa General Hospital is the largest
7 private employer in central Oahu, providing more than five
8 hundred well-paying jobs. More than 90 per cent of Wahiawa
9 General Hospital's employees live in our communities with most
10 of the full-time employees being members of the International
11 Longshore and Warehouse Union, United Public Workers union, and
12 Hawaii Nursing Association. The closure of Wahiawa General
13 Hospital would be devastating to entire families. Heads of
14 households would need to seek reemployment while keeping up
15 payments for mortgages and utilities, putting food on the table,
16 and doing all they can to make life normal for their children
17 and families.

18 In addition, as employees and their families lose their
19 sources of income, they are not able to purchase goods and
20 services within the community. Thus, shop owners and service
21 providers in the communities where these employees reside will



1 see a decrease in sales, forcing them to possibly reduce hours
2 or staff.

3 The impact of the possible closure of Wahiawa General
4 Hospital would be catastrophic to the region and State.
5 Accordingly, the legislature asserts that the public interest is
6 served by assisting Wahiawa General Hospital during its
7 financial crisis.

8 The purpose of this Act is to appropriate funds for
9 desperately needed infrastructure improvements at Wahiawa
10 General Hospital to ensure that it continues to operate and
11 ensure the health, welfare, and safety for the citizens of
12 central Oahu, and the people of the State.

13 SECTION 2. The director of finance is authorized to issue
14 general obligation bonds in the sum of \$4,442,500 or so much
15 thereof as may be necessary and the same sum or so much thereof
16 as may be necessary is appropriated for fiscal year 2018-2019
17 for the purpose of financing capital improvement projects for
18 the forty-sixth representative district, as follows:

19 A. Wahiawa General Hospital, Oahu
20 Plans, design, construction, and equipment for a new
21 fire alarm system.



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| 1 | Plans | \$1,000 |
| 2 | Design | \$1,000 |
| 3 | Construction | \$1,000 |
| 4 | Equipment | \$204,000 |
| 5 | Total funding | \$207,000 |
| 6 | B. Wahiawa General Hospital, Oahu | |
| 7 | Plans, design, construction, and equipment for a new | |
| 8 | sprinkler riser and alarm system. | |
| 9 | Plans | \$1,000 |
| 10 | Design | \$1,000 |
| 11 | Construction | \$1,000 |
| 12 | Equipment | \$14,000 |
| 13 | Total funding | \$17,000 |
| 14 | C. Wahiawa General Hospital, Oahu | |
| 15 | Plans, design, construction, and equipment for a new | |
| 16 | chiller plant and additional package unit system. | |
| 17 | Plans | \$1,000 |
| 18 | Design | \$1,000 |
| 19 | Construction | \$1,000 |
| 20 | Equipment | \$1,397,000 |
| 21 | Total funding | \$1,400,000 |



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|----|----|--|-----------|
| 1 | D. | Wahiawa General Hospital, Oahu | |
| 2 | | Plans, design, construction, and equipment for new air | |
| 3 | | handling units on the roof. | |
| 4 | | Plans | \$1,000 |
| 5 | | Design | \$1,000 |
| 6 | | Construction | \$1,000 |
| 7 | | Equipment | \$497,000 |
| 8 | | Total funding | \$500,000 |
| 9 | E. | Wahiawa General Hospital, Oahu | |
| 10 | | Plans, design, construction, and equipment for a new | |
| 11 | | ceiling air handling unit in the men's room across | |
| 12 | | from the cafeteria. | |
| 13 | | Plans | \$1,000 |
| 14 | | Design | \$1,000 |
| 15 | | Construction | \$1,000 |
| 16 | | Equipment | \$97,000 |
| 17 | | Total funding | \$100,000 |
| 18 | F. | Wahiawa General Hospital, Oahu | |
| 19 | | Plans, design, construction, and equipment for a new | |
| 20 | | ceiling air handling unit in the medical records area. | |
| 21 | | Plans | \$1,000 |



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|----|--|-----------|
| 1 | Design | \$1,000 |
| 2 | Construction | \$1,000 |
| 3 | Equipment | \$97,000 |
| 4 | Total funding | \$100,000 |
| 5 | G. Wahiawa General Hospital, Oahu | |
| 6 | Plans, design, construction, and equipment for new | |
| 7 | ceiling air handling unit in the laboratory. | |
| 8 | Plans | \$1,000 |
| 9 | Design | \$1,000 |
| 10 | Construction | \$1,000 |
| 11 | Equipment | \$97,000 |
| 12 | Total funding | \$100,000 |
| 13 | H. Wahiawa General Hospital, Oahu | |
| 14 | Plans, design, construction, and equipment for a new | |
| 15 | nurse call system. | |
| 16 | Plans | \$1,000 |
| 17 | Design | \$1,000 |
| 18 | Construction | \$1,000 |
| 19 | Equipment | \$197,000 |
| 20 | Total funding | \$200,000 |



| | | | |
|----|----|---|-----------|
| 1 | I. | Wahiawa General Hospital, Oahu | |
| 2 | | Plans, design, construction, and equipment to replace | |
| 3 | | forty acute care unit beds. | |
| 4 | | Plans | \$1,000 |
| 5 | | Design | \$1,000 |
| 6 | | Construction | \$1,000 |
| 7 | | Equipment | \$262,000 |
| 8 | | Total funding | \$265,000 |
| 9 | J. | Wahiawa General Hospital, Oahu | |
| 10 | | Plans, design, construction, and equipment to replace | |
| 11 | | five intensive care unit beds. | |
| 12 | | Plans | \$1,000 |
| 13 | | Design | \$1,000 |
| 14 | | Construction | \$1,000 |
| 15 | | Equipment | \$97,000 |
| 16 | | Total funding | \$100,000 |
| 17 | K. | Wahiawa General Hospital, Oahu | |
| 18 | | Equipment for mattress replacements. | |
| 19 | | Equipment | \$53,500 |
| 20 | | Total funding | \$53,500 |



L. Wahiawa General Hospital, Oahu

Plans, design, construction, and equipment to renovate
and upgrade the senior behavioral health unit, which
is critically needed and temporarily closed.

| | |
|---------------|-------------|
| Plans | \$1,000 |
| Design | \$1,000 |
| Construction | \$1,000 |
| Equipment | \$1,497,000 |
| Total funding | \$1,500,000 |

SECTION 3. The sums appropriated for the respective
capital projects set forth in section 2 shall be expended by the
designated expending agency for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 2018.

INTRODUCED BY: L. P. F.



H.B. NO. **2666**

James S. King
[Signature]
[Signature]

JAN 24 2018



H.B. NO. 2666

Report Title:

CIP; 46th Representative District; Wahiawa General Hospital

Description:

Appropriates funds for capital improvement projects at Wahiawa General Hospital for the benefit of the 46th Representative District.

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

