Honolulu, Hawaii

February 13, 2018

RE: H.B. No. 2427 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Health & Human Services, to which was referred H.B. No. 2427 entitled:

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

begs leave to report as follows:

The purpose of this measure is to accurately assess the financial and operational state of the Hawaii Health Systems Corporation by requiring the Office of the Auditor to conduct a management and financial audit of the Hawaii Health Systems Corporation.

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO testified in support of this measure. The Office of the Auditor provided comments.

Your Committee has amended this measure by:

- (1) Changing the scope of the audit from a management and financial audit to a comprehensive audit;
- (2) Appropriating \$100,000 for conducting the audit;
- (3) Changing its effective date to July 1, 2018; and

(4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that it is the intent of your Committee that the comprehensive audit requested in this measure cover the entire operations of the Hawaii Health Systems Corporation and their approximately \$733,000,000 budget.

As affirmed by the record of votes of the members of your Committee on Health & Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2427, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Health & Human Services,

OHN M. MIZUNO, Chair



## State of Hawaii House of Representatives The Twenty-ninth Legislature

## Record of Votes of the Committee on Health & Human Services

HB2427	Committee Referral:  HHS, FIN	Dat		18
$HBJ427$ $HHS$ , $FIN$ $Z-8-18$ $\Box$ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
HHS Members	Ayes	Ayes (WR)	Nays	Excused
1. MIZUNO, John M. (C)	/			
2. KOBAYASHI, Bertrand (VC)				
2 DELATER D. N. A				
3. BELATTI, Della Au				
4. LEARMONT, Lei R.				
4. ELARWONI, Lei K.				25s
5. TUPOLA, Andria P.L.				
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TOTAL (5)	4	-		1
The recommendation is:  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				