Honolulu, Hawaii

FEB 0 6 , 2020

RE: H.B. No. 2630 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 2630 entitled:

"A BILL FOR AN ACT RELATING TO THE TRANSITION OF THE OAHU REGIONAL HEALTH CARE SYSTEM FROM THE HAWAII HEALTH SYSTEMS CORPORATION INTO THE DEPARTMENT OF HEALTH,"

begs leave to report as follows:

The purpose of this measure is to set a date for the transition of the Oahu Region of the Hawaii Health Systems Corporation to the Department of Health and establish a working group to develop a plan for the transition.

Your Committee received testimony in support of this measure from the Department of Health; Board of Directors of the Hawaii Health Systems Corporation; Oahu Region of the Hawaii Health Systems Corporation; United Public Workers, AFSCME, Local 646, AFL-CIO; and one individual.

Your Committee finds that although the Hawaii Health Systems Corporation and its regions were originally established and designed to be run like a health care business, the Oahu Region operates more as a necessary social service than a health care business. The Oahu Region has very little opportunity to increase revenues, but its services are vital to the community, especially given recent projections by the Department of Business, Economic

Development, and Tourism that the island of Oahu will require an additional 1,100 long-term care beds in the next five to ten years alone. Your Committee further finds that to ensure the continued availability of long-term care beds for Oahu's aging population and facilitate more efficient use of the Oahu Region's facilities to address the need for additional social services, such as mental health and substance abuse treatment, it is beneficial to transition the Oahu Region from the Hawaii Health Systems Corporation to the Department of Health.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee hereby grants prior concurrence to your Committee on Labor & Public Employment regarding the composition of the working group for the transition. Furthermore, your Committee urges that the Oahu Region remain intact through the transition.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2630, H.D. 1, and be referred to your Committee on Labor & Public Employment.

> Respectfully submitted on behalf of the members of the Committee on Health,

State of Hawaii House of Representatives The THIRTIETH Legislature

HSCK 165-20

Record of Votes of the Committee on Health

Bill/Resolution No.: BUSE BU	Committee Referral: HT, LAB, FIN			Date: 1-30-20	
☐ 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)					
HLT Members		Ayes	Ayes (WR	Nays	Excused
1. MIZUNO, John M. (C)		\checkmark			
	10.75				
2. KOBAYASHI, Bertrand (VC)		V			
3. BELATTI, Della Au					
			142		
4. NAKAMURA, Nadine K.		V			
E CANIDEIENIA VIENIMIITA Y - A		A /			•
5. SAN BUENAVENTURA, Joy A.		- W			
6. SAY, Calvin K.Y.			V		
7. TOKIOKA, James Kunane				A STATE RESIDENCE STATE OF THE	
8. WARD, Gene	-		,,,,,,,,		
TOTAL (8)		6	1	0	1
The recommendation is: Adopted 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					