

1 safety-net social service and, compared to the other regions,
2 have less opportunity for additional revenue generation.

3 While the need for long-term care beds on Oahu has
4 decreased in recent years, a study completed by the department
5 of business, economic development, and tourism has projected
6 that the population aged sixty-five and older will grow by one
7 hundred forty-eight per cent over the next twenty-five years.
8 On Oahu, this translates to an estimated shortfall of one
9 thousand one hundred long-term care beds in the next five to ten
10 years alone. Thus, despite the costs of long-term care, it is
11 vital that state facilities continue to operate to ensure that
12 beds remain available for our aging population.

13 Similar to the Oahu region, the department of health
14 operates the Hawaii state hospital, a facility that does not
15 generate revenue but is nonetheless necessary to provide care
16 and treatment for mentally ill patients in Hawaii. In recent
17 years, the Hawaii state hospital has experienced a challenge in
18 providing sufficient bed space for admitted patients. As of
19 September 2019, two hundred twenty patients occupied beds at the
20 Hawaii state hospital--well over the maximum capacity of two
21 hundred two. To meet its needs, the Hawaii state hospital was



1 also required to contract with Kahi Mohala, a privately-run
2 facility, to care for an additional forty-six patients.

3 Beyond its responsibility for the Hawaii state hospital,
4 the department of health has also been charged with addressing
5 the significant gap in the behavioral health care system between
6 acute psychiatric care facilities and low acuity residential
7 treatment. Data collected in the State estimates that more than
8 half of all individuals experiencing a mental health crisis, or
9 fifty-four per cent, have needs that align better with services
10 delivered within a subacute level of care facility rather than
11 an emergency room.

12 The legislature finds that Act 90, Session Laws of Hawaii
13 2019, established the involuntary hospitalization task force and
14 Act 263, Session Laws of Hawaii 2019, established a working
15 group to evaluate current behavioral health care and related
16 systems, including existing resources, systems gaps, and
17 identification of action steps that would be taken to improve
18 the overall system of care. The findings from these initiatives
19 highlight the need in Hawaii for a coordinated network of
20 stabilization beds that will allow triage, clinical assessment,
21 and recommendation for the next level of care for those



1 struggling with substance use, mental health conditions, and
2 homelessness.

3 The National Coalition for the Homeless has found that
4 sixty-four per cent of homeless individuals are dependent on
5 alcohol or other substances. In Hawaii, the Oahu homeless point
6 in time count reported that 36.4 per cent of homeless single
7 adults suffer from some type of mental illness. The
8 intersection of homelessness and behavioral health conditions
9 are a crisis in Hawaii, which contributes to Hawaii having the
10 second highest rate of homelessness in the nation.
11 Unfortunately, there is currently no coordinated system of
12 stabilization from the streets that assesses for and links to
13 the next level of clinical care.

14 The legislature additionally finds that the current options
15 for those needing stabilization from challenges related to
16 substance use, mental health, and homelessness are overburdened
17 and inadequate, and emergency facilities throughout the State
18 have experienced substantial increases in psychiatric emergency
19 admissions, resulting in overcrowding and unsafe environments
20 for patients and medical staff.



1 The legislature also finds that comprehensive crisis
2 response and stabilization services are crucial elements of the
3 continuum of care. Reducing unnecessary transportation to
4 emergency departments and appropriately placing individuals in
5 more suitable levels of care will improve outcomes for patients,
6 reduce inpatient hospital stays, and facilitate access to other
7 behavioral health services.

8 Subacute residential stabilization services have been a
9 missing component of a comprehensive behavioral health continuum
10 of care, which would bridge the gap between acute
11 hospitalization and lower level residential and community
12 resources. Many individuals who are transported to an emergency
13 room or for emergency examination and hospitalization are not
14 acute enough in their illness to warrant psychiatric
15 hospitalization. On the other hand, their symptomology is too
16 acute for them to be admitted to a group home, shelter, or other
17 existing low acuity residential program or, if they are
18 admitted, they are often unsuccessful in those environments.
19 More often than not, they fail because they have not had time to
20 stabilize in an environment where they can be closely monitored.
21 This lack of post-acute care contributes to the poor outcomes of



1 both acute behavioral health inpatient and community-based
2 services because many individuals are not appropriate for either
3 level, but fall somewhere in the middle.

4 The legislature further finds that there exists state
5 facilities that have underutilized space that could accommodate
6 these services with minimal effort and adjustments and reduce
7 certain burdens and barriers. Therefore, assertive efforts
8 should be undertaken to ensure the availability of these
9 resources and to organize them in a way that is beneficial to
10 the State.

11 Through discussions with the Oahu region, it has been
12 determined that some of the Oahu region's health care
13 facilities, particularly Leahi hospital, are currently
14 underutilized and have the potential to be re-purposed for other
15 important health care and social service needs.

16 The legislature further finds that, while statutorily tied
17 to the Hawaii health systems corporation, the Oahu region
18 operates mostly autonomously and its functions and target
19 population are unique from those of the other regional health
20 care systems. As such, there is little necessity for the Oahu
21 regional health care system to remain a part of the Hawaii



1 health systems corporation. With proper planning and
2 implementation, the Oahu regional health care system could be
3 strategically assimilated into the department of health, and its
4 facilities could be used, in addition to long-term care, to help
5 alleviate the need for subacute residential mental health
6 stabilization and other subacute care services.

7 The purpose of this Act is to:

- 8 (1) Commence the transfer of the Oahu regional health care
9 system in its entirety from the Hawaii health systems
10 corporation to the department of health, beginning
11 with the transfer of the Oahu regional health care
12 system's budget and position count into the department
13 of health;
- 14 (2) Enable the Oahu regional health care system,
15 department of health, Hawaii health systems
16 corporation, and other state agencies to manage and
17 implement the processes required to effectuate the
18 completion of the transition;
- 19 (3) Require the department of health to consult with the
20 university of Hawaii regarding services provided at
21 Leahi hospital and Maluhia, and allow university of



1 Hawaii students to rotate through those facilities for
2 training purposes;

3 (4) Authorize the department of health to pay rent to the
4 university of Hawaii for the use of the Leahi hospital
5 property at a rate and on terms to be negotiated
6 between the department of health and the university of
7 Hawaii;

8 (5) Appropriate moneys from the mental health and
9 substance abuse special fund to operate Leahi hospital
10 and Maluhia; and

11 (6) Authorize the issuance of general obligation bonds and
12 appropriate the proceeds of the bonds for improvements
13 at Leahi hospital and Maluhia.

14 PART II

15 SECTION 2. Section 323F-2, Hawaii Revised Statutes, is
16 amended by amending subsection (b) to read as follows:

17 "(b) The corporate organization shall be divided into
18 [~~five~~] four regional systems, as follows:

19 [~~(1)~~] ~~The Oahu regional health care system;~~

20 ~~(2)~~] (1) The Kauai regional health care system;

21 [~~(3)~~] (2) The Maui regional health care system;



H.B. NO. 1282

1 [~~4~~] (3) The east Hawaii regional health care system,
 2 comprising the Puna district, north Hilo district,
 3 south Hilo district, Hamakua district, and Kau
 4 district; and

5 [~~5~~] (4) The west Hawaii regional health care system,
 6 comprising the north Kohala district, south Kohala
 7 district, north Kona district, and south Kona
 8 district;

9 and shall be identified as regional systems I, II, III, and IV,
 10 [~~and V,~~] respectively."

11 SECTION 3. Section 323F-3, Hawaii Revised Statutes, is
 12 amended to read as follows:

13 "**§323F-3 Corporation board.** (a) The corporation shall be
 14 governed by [~~an eighteen member~~] a fifteen-member board of
 15 directors that shall carry out the duties and responsibilities
 16 of the corporation other than those duties and responsibilities
 17 relating to the establishment of any captive insurance company
 18 pursuant to section 323F-7(c)(20) and the operation thereof.

19 (b) The members of the corporation board shall be
 20 appointed as follows:



H.B. NO. 1282

- 1 (1) The director of health as an ex officio, voting
2 member;
- 3 (2) The [~~five~~] four regional chief executive officers as
4 ex officio, nonvoting members;
- 5 (3) Three members who reside in the county of Maui, two of
6 whom shall be appointed by the Maui regional system
7 board and one of whom shall be appointed by the
8 governor, all of whom shall serve as voting members;
- 9 (4) Two members who reside in the eastern section of the
10 county of Hawaii, one of whom shall be appointed by
11 the East Hawaii regional system board and one of whom
12 shall be appointed by the governor, both of whom shall
13 serve as voting members;
- 14 (5) Two members who reside in the western section of the
15 county of Hawaii, one of whom shall be appointed by
16 the West Hawaii regional system board and one of whom
17 shall be appointed by the governor, both of whom shall
18 serve as voting members;
- 19 (6) Two members who reside on the island of Kauai, one of
20 whom shall be appointed by the Kauai regional system



H.B. NO. 1282

1 board and one of whom shall be appointed by the
2 governor, both of whom shall serve as voting members;

3 [~~(7)~~ ~~Two members who reside on the island of Oahu, one of~~
4 ~~whom shall be appointed by the Oahu regional system~~
5 ~~board and one of whom shall be appointed by the~~
6 ~~governor, both of whom shall serve as voting members,]~~

7 and

8 [~~(8)~~] (7) One member who shall be appointed by the governor
9 and serve as an at-large voting member.

10 The appointed board members who reside in the county of
11 Maui, eastern section of the county of Hawaii, western section
12 of the county of Hawaii, and on the island of Kauai[, ~~and on the~~
13 ~~island of Oahu]~~ shall each serve for a term of four years;
14 provided that the terms of the initial appointments of the
15 members who are appointed by their respective regional system
16 boards shall be as follows: one of the initial members from the
17 county of Maui shall be appointed to serve a term of two years
18 and the other member shall be appointed to serve a term of four
19 years; the initial member from East Hawaii shall be appointed to
20 serve a term of two years; the initial member from West Hawaii
21 shall be appointed to serve a term of four years; and the



1 initial member from the island of Kauai shall be appointed to
2 serve a term of two years; [~~and the initial member from the~~
3 ~~island of Oahu shall be appointed to serve a term of four~~
4 ~~years,~~] and provided further that the terms of the initial
5 appointments of the members who are appointed by the governor
6 shall be four years. The at-large member appointed by the
7 governor shall serve a term of two years.

8 Any vacancy shall be filled in the same manner provided for
9 the original appointments. The corporation board shall elect
10 its own chair from among its members. Appointments to the
11 corporation board shall be as representative as possible of the
12 system's stakeholders as outlined in this subsection. The board
13 member appointments shall strive to create a board that includes
14 expertise in the fields of medicine, finance, health care
15 administration, government affairs, human resources, and law.

16 (c) The selection, appointment, and confirmation of any
17 nominee shall be based on ensuring that board members have
18 diverse and beneficial perspectives and experiences and that
19 they include, to the extent possible, representatives of the
20 medical, business, management, law, finance, and health sectors,
21 and patients or consumers. Members of the board shall serve



1 without compensation but may be reimbursed for actual expenses,
2 including travel expenses incurred in the performance of their
3 duties.

4 (d) Any member of the board may be removed for cause by
5 vote of a two-thirds majority of the board's members then in
6 office. For purposes of this section, cause shall include
7 without limitation:

8 (1) Malfeasance in office;

9 (2) Failure to attend regularly called meetings;

10 (3) Sentencing for conviction of a felony, to the extent
11 allowed by section 831-2; or

12 (4) Any other cause that may render a member incapable or
13 unfit to discharge the duties required under this
14 chapter.

15 Filing nomination papers for elective office or appointment to
16 elective office, or conviction of a felony consistent with
17 section 831-3.1, shall automatically and immediately disqualify
18 a board member from office.

19 (e) The director of health shall have sole decision-making
20 authority over all corporation board matters that concern the
21 Oahu regional health care system, commencing on June 30, 2021,



1 and continuing until the transition of the Oahu regional health
 2 care system into the department of health is complete. Upon
 3 completion of the transition, the corporation board shall have
 4 no legal relationship with the Oahu regional health care system
 5 or its facilities."

6 SECTION 4. Section 323F-7.6, Hawaii Revised Statutes, is
 7 amended to read as follows:

8 "~~[+]~~§323F-7.6~~[+]~~ **Transition of Hawaii health systems**
 9 **regional system or health facility to a new entity. (a)**

10 Notwithstanding any other law to the contrary, including but not
 11 limited to section 27-1 and chapter 171, any of the regional
 12 systems or individual facilities of the Hawaii health systems
 13 corporation is hereby authorized to transition into a new legal
 14 entity in any form recognized under the laws of the State,
 15 including but not limited to:

- 16 (1) A nonprofit corporation;
- 17 (2) A for-profit corporation;
- 18 (3) A municipal facility;
- 19 (4) A public benefit corporation; ~~[or]~~
- 20 (5) A division or branch under a state executive
 21 department; or



1 ~~[(5)]~~ (6) Any two or more of the entities in paragraphs (1)
2 through ~~[(4)]~~ (5).

3 A transition shall occur through the sale, lease, or transfer of
4 all or substantially all of the assets of the facility or
5 regional system, except for real property, which shall only be
6 transferred by lease~~[-]~~; provided that under a transfer that is
7 effectuated pursuant to paragraph (5), real property shall
8 transition to the executive department. Any transition shall
9 comply with chapter 323D.

10 (b) A transition shall only occur upon approval of the
11 appropriate regional system board in the case of a regional
12 system or individual facility transition, or upon approval of
13 the regional system boards and the corporation in the case of
14 the transition of the entire corporation. Any transition shall
15 be subject to legal review by the attorney general, who shall
16 approve the transition if satisfied that the transition conforms
17 to all applicable laws, subject to the review of the director of
18 the department of budget and finance, who shall approve the
19 transition if it conforms to all applicable financing
20 procedures, and subject to the governor's approval. In addition



1 the transition shall be subject to the following terms and
2 conditions:

3 (1) All proceeds from the sale, lease, or transfer of
4 assets shall be used for health care services in the
5 respective regional system or facility, except that
6 real property shall only be transferred by lease;
7 provided that under a transfer that is effectuated
8 pursuant to subsection (a)(5), real property shall
9 transition to the executive department;

10 (2) Any and all liabilities of a regional system or
11 facility transitioning into a new entity that were
12 transferred to the Hawaii health systems corporation
13 upon its creation by Act 262, Session Laws of Hawaii
14 1996, and all liabilities of the regional system or
15 facility related to collective bargaining contracts
16 negotiated by the State, shall become the
17 responsibility of the State; and

18 (3) During the period of transition:
19 (A) The State shall continue to fund the provision of
20 health care services provided for by the regional
21 system or individual facility; and



1 (B) All applicable provisions of this chapter shall
2 continue to apply.

3 Upon the completion of the transition of all the facilities
4 in a regional system to a new entity, the regional system board
5 for that regional system shall terminate; provided that if not
6 all of a regional system's facilities are transitioned to a new
7 entity, the existing regional system board shall not terminate
8 but shall continue to retain jurisdiction over those facilities
9 remaining in the regional system."

10 PART III

11 SECTION 5. Chapter 321, Hawaii Revised Statutes, is
12 amended by adding a new part to be appropriately designated and
13 to read as follows:

14 "PART . LEAHI HOSPITAL AND MALUHIA

15 §321- Authority of the department of health. The
16 department of health may:

- 17 (1) Conduct long-term care and substance abuse treatment
- 18 at Maluhia and Leahi hospital;
- 19 (2) Pay rent to the university of Hawaii for the use of
- 20 the Leahi hospital property, at a rate and on terms to



1 be negotiated between the department of health and the
2 university of Hawaii; and

3 (3) Use moneys from the mental health and substance abuse
4 special fund established pursuant to section 334-15 to
5 fund the department's operations at Maluhia and Leahi
6 hospital.

7 **§321- Consultation with the university of Hawaii**

8 **required.** The department of health shall regularly consult with
9 the university of Hawaii regarding services provided at Leahi
10 hospital and Maluhia. The department may coordinate with the
11 university of Hawaii to allow university students to rotate
12 through the facilities for training purposes and may take any
13 action necessary or proper to effectuate this purpose."

14 PART IV

15 SECTION 6. (a) The transfer of the Oahu regional health
16 care system to the department of health shall commence with the
17 transfer of the budget and position count associated with the
18 Oahu region as follows:

19 (1) On June 30, 2021, the budget of the Oahu regional
20 health care system shall be transferred from the



H.B. NO. 1282

1 Hawaii health systems corporation to the department of
2 health; provided that:

3 (A) The Oahu regional health care system's budget
4 codes and all related allocated funds of the Oahu
5 region shall be reflected in the state budget and
6 all other related tables and documents under the
7 program code HTH ; and

8 (B) The program code HTH shall be known as the
9 behavioral and elder care facilities division
10 within the department of health's behavioral
11 health administration. The organizational
12 structure of the Oahu regional health care system
13 shall remain unchanged, unless modified and
14 approved by the transition working group
15 identified in this Act, and as approved by the
16 conditions established in this part or as
17 required by law; and

18 (2) On June 30, 2021, the total position count and class
19 specifications of the Oahu region shall be transferred
20 in their entirety to the department of health and
21 associated with HTH ; provided that:



H.B. NO. 1282

- 1 (A) All employees of the Oahu region who occupy civil
2 service positions shall be transferred to the
3 department of health by this Act and retain their
4 civil service status, whether permanent or
5 temporary, and shall maintain their respective
6 functions as reflected in their current position
7 descriptions during the transition period;
8 provided that any changes determined necessary by
9 the working group established pursuant to this
10 Act shall follow standard union consultation
11 process prior to implementation;
- 12 (B) Employees shall be transferred without loss of
13 salary; seniority, except as prescribed by
14 applicable collective bargaining agreements;
15 retention points; prior service credit; any
16 vacation and sick leave credits previously
17 earned; and other rights, benefits, and
18 privileges, in accordance with state employment
19 laws;
- 20 (C) The personnel structure of the Oahu regional
21 health care system shall remain unchanged, unless



H.B. NO. 1282

1 modified and approved by the working group and as
2 approved by the conditions established pursuant
3 to this Act;

4 (D) Any employee who, prior to this Act, is exempt
5 from civil service or collective bargaining and
6 is transferred as a consequence of this Act shall
7 be transferred without loss of salary and shall
8 not suffer any loss of prior service credit,
9 contractual rights, vacation or sick leave
10 credits previously earned, or other employee
11 benefits or privileges and shall be entitled to
12 remain employed in the employee's current
13 position for a period of no less than one year
14 after the transition of the Oahu regional health
15 care system into the department of health is
16 complete;

17 (E) The wages, hours, and other conditions of
18 employment shall be negotiated or consulted, as
19 applicable, with the respective exclusive
20 representative of the affected employees, in



1 accordance with chapter 89, Hawaii Revised
2 Statutes; and
3 (F) The rights, benefits, and privileges currently
4 enjoyed by employees, including those rights,
5 benefits, and privileges under chapters 76, 78,
6 87A, 88, and 89, Hawaii Revised Statutes, shall
7 not be impaired or diminished as a result of
8 these employees being transitioned to the
9 department of health pursuant to this Act. The
10 transition to the department of health shall not
11 result in any break in service for the affected
12 employees. The rights, benefits, and privileges
13 currently enjoyed by employees shall be
14 maintained under their existing collective
15 bargaining or other agreements and any successor
16 agreement.

17 (b) Upon effectuation of subsection (a), the Oahu regional
18 board shall be placed within the department of health pursuant
19 to section 26-35, Hawaii Revised Statutes, for the purposes of
20 facilitating the transition of the Oahu region into the
21 department of health as part of the working group established



1 pursuant this Act and to effectuate the assignment of all
2 contracts and agreements in which the Oahu region is a party to
3 the department of health.

4 (c) Notwithstanding any law to the contrary, the terms of
5 the following members of the board of the directors of the
6 Hawaii health systems corporation shall expire on June 30, 2021:

7 (1) The regional chief executive officer of the Oahu
8 regional health care system; and

9 (2) The two board members residing on the island of Oahu
10 appointed pursuant to section 323F-3(a)(7), Hawaii
11 Revised Statutes, as that section read prior to the
12 effective date of this section.

13 SECTION 7. (a) There is established a working group of
14 the Oahu regional health care system and department of health to
15 develop, evaluate, and implement any additional steps necessary
16 to complete the transition of the Oahu regional health care
17 system into the department of health.

18 (b) The working group shall consist of the following
19 members:

20 (1) The director of health or the director's designee, who
21 shall serve as co-chair and who, along with the chair



H.B. NO. 1282

1 of the Oahu regional health care system or the chair's
2 designee, shall have final authority over transfer
3 activities to be implemented by the working group;

4 (2) The chair of the Oahu regional health care system
5 board or the chair's designee, who shall serve as co-
6 chair and who, along with the director of health or
7 the director's designee, shall have final authority
8 over transfer activities to be implemented by the
9 working group;

10 (3) The chief executive officer of the Oahu regional
11 health care system or the chief executive officer's
12 designee;

13 (4) One or more department of health staff members as
14 deemed necessary by the director of health or the
15 director's designee; and

16 (5) One or more Oahu regional health care system staff
17 members as deemed necessary by the chief executive
18 officer of the Oahu regional health care system or the
19 chief executive officer's designee.

20 (c) In addition, the working group shall include the
21 following members who shall serve in a consultative capacity:



H.B. NO. 1282

- 1 (1) One representative from the behavioral health
- 2 administration of the department of health;
- 3 (2) One representative from the department of human
- 4 resources development;
- 5 (3) One representative from the department of accounting
- 6 and general services;
- 7 (4) The chair of the Hawaii health systems corporation
- 8 board or the chair's designee;
- 9 (5) One representative from the Hawaii health systems
- 10 corporation human resources department;
- 11 (6) One representative from the Hawaii health systems
- 12 corporation finance department;
- 13 (7) One representative from the state procurement office;
- 14 (8) One representative from the Hawaii Government
- 15 Employees Association, who shall be invited to
- 16 participate;
- 17 (9) One representative from the United Public Workers
- 18 Union, who shall be invited to participate; and
- 19 (10) Others as recommended and invited by the co-chairs.
- 20 (d) In carrying out its purpose, the working group shall
- 21 develop a transfer framework to govern and manage the additional



H.B. NO. 1282

1 steps necessary to complete the transfer of the Oahu region into
2 the department of health. The transfer framework shall include
3 but not be limited to the following steps:

4 (1) Identification and preparation of proposed legislation
5 to address any matters not covered by this Act that
6 may be necessary to complete the transfer of the Oahu
7 region into the department of health;

8 (2) Identification of all real property, appropriations,
9 records, equipment, machines, files, supplies,
10 contracts, books, papers, documents, maps, and other
11 property made, used, acquired, or held by the Oahu
12 regional health care system and effectuate the
13 transfer of the same to the department of health;
14 provided that in all cases applicable and appropriate,
15 section 26-35, Hawaii Revised Statutes, shall apply;

16 (3) Identification of all debts and other liabilities that
17 will remain with the Hawaii health systems corporation
18 and transfer any remaining debts and liabilities to
19 the department of health; provided that in all cases
20 applicable and appropriate, section 26-35, Hawaii
21 Revised Statutes, shall apply;



- 1 (4) Identification of all contractual arrangements and
2 obligations of the Oahu region, including but not
3 limited to those related to personal service
4 contracts, vendor contracts, and capital improvement
5 projects; provided that in all cases applicable and
6 appropriate, section 26-35, Hawaii Revised Statutes,
7 shall apply;
- 8 (5) Development and implementation of any and all policies
9 and procedures necessary to ensure that the facilities
10 within the Oahu regional health care system remain
11 compliant with all federal, state, and local laws and
12 regulations; provided that in all cases applicable and
13 appropriate, section 26-35, Hawaii Revised Statutes,
14 shall apply; and
- 15 (6) Development and implementation of procedures to
16 extricate the Oahu region from system-wide services
17 secured or provided by the Hawaii health systems
18 corporation or enable the Oahu region to continue to
19 utilize those services on a temporary or permanent
20 basis through interagency agreement; provided that in



1 all cases applicable and appropriate, section 26-35,
2 Hawaii Revised Statutes, shall apply.

3 (e) Members of the working group shall serve without
4 compensation but shall be reimbursed for reasonable expenses
5 necessary for the performance of their duties, including travel
6 expenses. No member of the working group shall be subject to
7 chapter 84, Hawaii Revised Statutes, solely because of the
8 member's participation in the working group.

9 (f) The working group shall submit an interim report to
10 the legislature no later than twenty days prior to the convening
11 of the regular session of 2022 that outlines all components of
12 the transition that have been effectuated to date and any
13 legislative action needed to complete the transfer pursuant to
14 this Act.

15 (g) The working group shall be dissolved on June 30, 2023,
16 or upon completion of the transition of the Oahu regional health
17 care system into the department of health, whichever is later.
18 Prior to its dissolution, the working group shall submit a final
19 report to the legislature that documents the completion of the
20 transfer and dissolution of the Oahu regional health care
21 system.



1 SECTION 8. Section 323F-7.6(b), Hawaii Revised Statutes,
2 shall not apply to the transition of the Oahu regional health
3 care system to the department of health pursuant to this Act;
4 provided that all transition actions, with the exception of
5 those covered under section 6(a) of this Act, shall be subject
6 to the following conditions:

- 7 (1) The attorney general shall approve the legality and
8 form of any material transition actions created by the
9 working group prior to implementation, and the
10 director of finance shall evaluate and approve any
11 expenditure of public funds determined to be in
12 accordance with the budget laws and controls in force;
- 13 (2) Liabilities of the Oahu regional health care system
14 that were transferred to the Hawaii health systems
15 corporation upon its creation by Act 262, Session Laws
16 of Hawaii 1996, or to the Oahu regional health care
17 system upon its establishment by Act 290, Session Laws
18 of Hawaii 2007, and all other contractual liabilities
19 of the Oahu regional health care system, including
20 those related to collective bargaining contracts
21 negotiated by the State in existence at the time they



1 are transferred to the department of health, shall
2 become the responsibility of the State; and

3 (3) In all cases applicable and appropriate, section
4 26-35, Hawaii Revised Statutes, shall apply to
5 questions of legal authority.

6 PART V

7 SECTION 9. The director of finance is authorized to issue
8 general obligation bonds in the sum of \$ or so much
9 thereof as may be necessary and the same sum or so much thereof
10 as may be necessary is appropriated for fiscal year 2021-2022
11 for the purpose of making improvements to Leahi hospital and
12 Maluhia.

13 SECTION 10. The appropriation made for the capital
14 improvement project authorized by this part shall not lapse at
15 the end of the fiscal biennium for which the appropriation is
16 made; provided that all moneys from the appropriation
17 unencumbered as of June 30, 2024, shall lapse as of that date.

18 PART VI

19 SECTION 11. There is appropriated out of the mental health
20 and substance abuse special fund the sum of \$ or so
21 much thereof as may be necessary for fiscal year 2021-2022 and



H.B. NO. 1282

1 the same sum or so much thereof as may be necessary for fiscal
2 year 2022-2023 for the operations of Leahi hospital and Maluhia.

3 The sums appropriated shall be expended by the department
4 of health for the purposes of this Act.

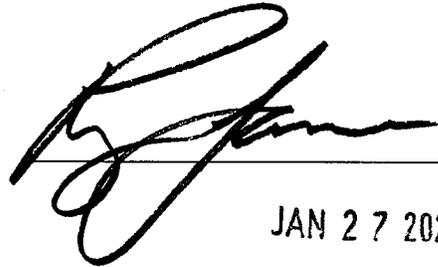
5 PART VII

6 SECTION 12. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 13. This Act shall take effect on June 29, 2021;
9 provided that parts V and VI of this Act shall take effect on
10 July 1, 2021.

11

INTRODUCED BY:



JAN 27 2021



H.B. NO. 1282

Report Title:

HHSC; Oahu Region; DOH; Transition; Working Group; Appropriation

Description:

Commences the transfer of the Oahu regional health care system in its entirety from the Hawaii health systems corporation to the department of health, beginning with the transfer of the Oahu regional health care system's budget and position count into the department of health. Enables the Oahu regional health care system, department of health, Hawaii health systems corporation, and other state agencies to manage and implement the processes required to effectuate the completion of the transition. Authorizes the department of health to conduct long-term care and substance abuse treatment at Leahi hospital and Maluhia and to pay rent for the use of the Leahi hospital property. Requires the department of health to consult with the university of Hawaii regarding programs at Leahi hospital and Maluhia. Appropriates moneys from the mental health and substance abuse special fund. Authorizes the issuance of general obligation bonds.

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

