
A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST WAHIAWA GENERAL HOSPITAL.

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

1 SECTION 1. The legislature finds that refinancing
2 outstanding debt obligations of a health care facility with the
3 proceeds of bonds issued by the State, in order to improve the
4 ability of the facility to continue to serve the needs of the
5 community, to be in the public interest.

6 The legislature further finds that over the past fifteen
7 years, Wahiawa General Hospital has experienced financial
8 difficulties due to circumstances beyond its control, including
9 the reopening of Queen's Medical Center West Oahu in Ewa, Oahu;
10 reductions in medicare, medicaid, and private insurance
11 reimbursements; the ongoing shortage of physicians in the State
12 and, in particular, central Oahu; new requirements under the
13 federal Patient Protection and Affordable Care Act; uncertainty
14 in the availability of state and federal funding caused by
15 instability in federal health care policy; and an increasing
16 need for provision of indigent care, which includes the homeless



1 population. The legislature further finds because of these
2 financial difficulties, Wahiawa General Hospital has had to cut
3 some of its programs, services, and personnel, while allowing
4 basic infrastructure repair and maintenance needs to go unmet.
5 Among other actions, Wahiawa General Hospital has reduced staff
6 by over one hundred full-time equivalent positions, severely
7 curtailed the long-running family practice residency teaching
8 program in the facility, and cut more than \$17,000,000 from the
9 annual budget over the past five years. Furthermore, due to
10 Wahiawa General Hospital's financial difficulties, it has been
11 unable to repay certain long-term debts.

12 Accordingly, the legislature finds that the continued
13 financial fitness of Wahiawa General Hospital is in the public
14 interest and critical to preserving the public health, safety,
15 and welfare of the island of Oahu and the State.

16 The purpose of this Act is to authorize the issuance of
17 special purpose revenue bonds to facilitate the consolidation,
18 liquidation, or both, of the long-term debt of Wahiawa General
19 Hospital in order to facilitate its continued operation as a
20 health care facility providing for the health, welfare, and



1 safety of the residents of central Oahu and the people of the
2 State.

3 The legislature further finds and declares that the
4 issuance of special purpose revenue bonds under this Act is in
5 the public interest and for the public health, safety, and
6 general welfare.

7 SECTION 2. Pursuant to part II, chapter 39A, Hawaii
8 Revised Statutes, the department of budget and finance, with the
9 approval of the governor, is authorized to issue special purpose
10 revenue bonds in a total amount not to exceed \$12,000,000, in
11 one or more series, for the purpose of assisting Wahiawa General
12 Hospital, a Hawaii nonprofit corporation, for debt
13 consolidation, debt liquidation, or both, necessary to allow its
14 continued operation preserving the health and safety of the
15 central Oahu community and the State. The legislature hereby
16 finds and determines that the consolidation, liquidation, or
17 both, of the long-term debt of Wahiawa General Hospital
18 constitutes a project as defined in part II, chapter 39A, Hawaii
19 Revised Statutes, and the financing thereof is assistance to a
20 not-for-profit corporation that provides health care facilities
21 to the general public.



1 SECTION 3. The special purpose revenue bonds and the
2 refunding special purpose revenue bonds issued under this Act
3 shall be issued pursuant to part II, chapter 39A, Hawaii Revised
4 Statutes, relating to the power to issue special purpose revenue
5 bonds to assist not-for-profit corporations that provide health
6 care facilities to the general public.

7 SECTION 4. The department of budget and finance is
8 authorized, from time to time, including times subsequent to
9 June 30, 2026, to issue special purpose revenue bonds in
10 whatever principal amounts the department shall determine to be
11 necessary to refund the special purpose revenue bonds authorized
12 in section 2 and to refund special purpose revenue bonds
13 authorized in this section, regardless of whether the
14 outstanding special purpose revenue bonds or refunding special
15 purpose revenue bonds have matured or are the subject of
16 redemption or whether the refunding special purpose revenue
17 bonds shall be bonds for the multi-project programs described in
18 section 2. In making this determination, the department shall
19 comply with federal law relating to the exemption from federal
20 income taxation of the interest on bonds of the nature
21 authorized by this section.



1 SECTION 5. The authorization to issue special purpose
2 revenue bonds under this Act shall lapse on June 30, 2026.

3 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

SPRB; Wahiawa General Hospital; Debt Restructuring; Debt Refinancing

Description:

Authorizes the issuance of special purpose revenue bonds for long-term debt restructuring of Wahiawa General Hospital. Effective 7/1/2050. (SD2)

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