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# A BILL FOR AN ACT

RELATING TO THE OAHU REGIONAL HEALTH CARE SYSTEM.

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

1 PART I

2 SECTION 1. The legislature finds that the Daniel K. Akaka  
3 state veterans home is currently under construction with an  
4 expected completion date of spring 2023. State veterans homes  
5 are facilities that provide long-term care for veterans, their  
6 spouses, and gold-star parents. State veterans homes are funded  
7 primarily through the United States Department of Veterans  
8 Affairs and medicare or medicaid funds.

9 The legislature further finds that the Daniel K. Akaka  
10 state veterans home is currently being constructed by the  
11 department of defense and the department of accounting and  
12 general services. However, management, operation, and staffing  
13 of the Daniel K. Akaka state veterans home should be placed  
14 under a state agency able to manage a long-term care facility.

15 The purpose of this Act is to transfer the Daniel K. Akaka  
16 state veterans home to the Oahu regional health care system so  
17 that when the Oahu regional health care system is transferred



1 from the Hawaii health systems corporation to the department of  
2 health pursuant to Act 212, Session Laws of Hawaii 2021, the  
3 Daniel K. Akaka state veterans home will become part of the  
4 department of health.

5 PART II

6 SECTION 2. (a) No later than December 31, 2022, or a date  
7 determined by the governor, the Daniel K. Akaka state veterans  
8 home on Oahu shall be assimilated into the Oahu regional health  
9 care system in a manner and to an extent that may be negotiated  
10 between the Oahu regional health care system and the department  
11 of defense. After assimilation, the physical assets and the  
12 ground lease of Daniel K. Akaka state veterans home shall become  
13 the property of the Oahu regional health care system and the  
14 Daniel K. Akaka state veterans home shall be managed by the Oahu  
15 regional health care system.

16 (b) None of the liabilities of Daniel K. Akaka state  
17 veterans home in existence at the time the Daniel K. Akaka state  
18 veterans home is assimilated into the Oahu regional health care  
19 system shall become liabilities of the Oahu regional health care  
20 system.



1 (c) The Oahu regional health care system, at its  
2 discretion, may retain any or all medical and nonmedical  
3 employees of Daniel K. Akaka state veterans home.

4 (d) The Oahu regional health care system, without regard  
5 to sections 321-B and 323F-31, Hawaii Revised Statutes, may  
6 adjust the levels of services provided by Daniel K. Akaka state  
7 veterans home.

8 (e) The Daniel K. Akaka state veterans home shall be  
9 exempt from chapter 102 and section 103-53, Hawaii Revised  
10 Statutes, and its board of directors, if any, shall be exempt  
11 from part I of chapter 92, Hawaii Revised Statutes.

12 (f) The purchase of goods and services by or on behalf of  
13 the Daniel K. Akaka state veterans home shall be exempt from  
14 chapters 103D and 103F, Hawaii Revised Statutes.

15 (g) Employees of the Daniel K. Akaka state veterans home  
16 shall be exempt from chapters 76, 87A, 88, and 89, Hawaii  
17 Revised Statutes, and shall not be considered employees of the  
18 State.

19 PART III



1 SECTION 3. Chapter 321, Hawaii Revised Statutes, is  
2 amended by adding two new sections to part I to be appropriately  
3 designated and to read as follows:

4 "§321-A Daniel K. Akaka state veterans home; department  
5 authority. After the transfer of the Oahu regional health care  
6 system into the department is completed pursuant to Act 212,  
7 Session Laws of Hawaii 2021, all rights, privileges, and  
8 obligations previously held by the Oahu regional health care  
9 system in relation to the Daniel K. Akaka state veterans home  
10 shall continue to be held by the department. The department  
11 may:

12 (1) Conduct long-term care for veterans, their spouses,  
13 and gold-star parents at the Daniel K. Akaka state  
14 veterans home;

15 (2) Pay rent to the Hawaii housing finance and development  
16 corporation for the use of the Daniel K. Akaka state  
17 veterans home property pursuant to an existing lease;

18 (3) Use moneys from the Department of Veterans Affairs  
19 established pursuant to An Act to Provide Aid to State  
20 and Territorial Homes for Disabled Soldiers and  
21 Sailors of the United States, approved August 27,



1           1888, or under any other Act or Acts of Congress for  
2           the benefit of the state veterans homes and other  
3           sources to fund the department's operations at the  
4           state veterans homes;

5           (4) Without regard to chapter 91, develop and implement  
6           its own policies, procedures, and rules necessary or  
7           appropriate to plan, operate, manage, and control the  
8           Daniel K. Akaka state veterans home;

9           (5) Enter into and perform any contract, lease,  
10           cooperative agreement, partnership, or other  
11           transaction that may be necessary or appropriate in  
12           the performance of its purposes and responsibilities,  
13           and on terms the department may deem appropriate with  
14           any:

15           (A) Agency or instrumentality of the United States;

16           (B) State, territory, possession, or subdivision  
17           thereof; or

18           (C) Person, firm, association, partnership, or  
19           corporation, whether operated on a for-profit or  
20           not-for-profit basis; provided that the  
21           transaction furthers the public interest;



- 1       (6) Conduct activities and enter into business  
2       relationships that the department deems necessary or  
3       appropriate, including:
- 4       (A) Creating nonprofit corporations, including  
5       nonprofit corporations for charitable  
6       fundraising, to be controlled wholly by the  
7       department or jointly with another entity; and
- 8       (B) Entering into partnerships and other joint  
9       venture arrangements or participating in  
10       alliances, purchasing consortia, health insurance  
11       pools, or other cooperative agreements with any  
12       public or private entity; provided that any  
13       corporation, venture, or relationship entered  
14       into under this section shall further the public  
15       interest;
- 16       (7) Make and alter facility bylaws and rules for the  
17       organization and management of the Daniel K. Akaka  
18       state veterans home without regard to chapter 91;
- 19       (8) Contract for and accept any gifts, grants, and loans  
20       of funds or property, or any other aid in any form  
21       from the federal government, the State, any state



1 agency, or any other source, or any combination  
2 thereof, and in compliance with the terms and  
3 conditions thereof;

4 (9) Provide health and medical services to the public  
5 directly or by agreement or lease with any person,  
6 firm, or private or public corporation, partnership,  
7 or association through or in the Daniel K. Akaka state  
8 veterans home or otherwise; and

9 (10) Approve medical staff bylaws, rules, and medical staff  
10 appointments and reappointments for the Daniel K.  
11 Akaka state veterans home, including determining the  
12 conditions under which a health professional may be  
13 extended the privilege of practicing within the Daniel  
14 K. Akaka state veterans home, as determined by the  
15 department or facility management, and adopting and  
16 implementing reasonable rules, without regard to  
17 chapter 91, for the credentialing and peer review of  
18 all persons and health professionals within the  
19 facility; provided that the department or facility  
20 management shall be the governing body responsible for



1 all medical staff organization, peer review, and  
2 credentialing activities to the extent allowed by law.

3 §321-B Reduction or elimination of direct patient care  
4 services. (a) No planned substantial reduction or elimination  
5 of direct patient care services at the Daniel K. Akaka state  
6 veterans home shall be undertaken unless all of the following  
7 requirements are met:

8 (1) An initial determination is made by the department as  
9 to critical and emergency services, which shall not be  
10 subject to reduction or elimination pursuant to this  
11 section;

12 (2) The plan of the facility to substantially reduce or  
13 eliminate any direct patient care services at the  
14 Daniel K. Akaka state veterans home shall first be  
15 presented to the director of health for approval;

16 (3) Subsequent to the requisite director approval, the  
17 department shall present the plan to the community in  
18 which the facility is located at a community  
19 informational meeting, in order to obtain community  
20 input on the plan; and





1     (4) After the community informational meeting, but at  
2            least twenty days prior to the implementation of the  
3            approved plan, the director shall give notice of the  
4            implementation of the plan to the governor, president  
5            of the senate, and speaker of the house of  
6            representatives.

7     (b) Upon meeting the requirements of subsection (a), the  
8     approved plan shall be implemented unless legislation has been  
9     enacted that:

10    (1) Requires the reinstatement and continuation of direct  
11    patient care services that are subject to reduction or  
12    elimination under the plan; and

13    (2) Includes an appropriation of additional moneys  
14    sufficient to adequately fund the mandated  
15    reinstatement and continuation of the direct patient  
16    care services that are subject to reduction or  
17    elimination under the plan."

18                                           PART IV

19           SECTION 4. In codifying the new sections added by section  
20    3 of this Act, the revisor of statutes shall substitute



1 appropriate section numbers for the letters used in designating  
2 the new sections in this Act.

3 SECTION 5. New statutory material is underscored.

4 SECTION 6. This Act shall take effect on July 1, 2060.



**Report Title:**

Oahu Regional Health Care System; DOH; Daniel K. Akaka State Veterans Home; Transition

**Description:**

Requires the transfer of the Daniel K. Akaka State Veterans Home to the Oahu Regional Health Care System and then to the Department of Health as part of the Oahu Regional Health Care System transfer pursuant to Act 212, SLH 2021. Effective 7/1/2060. (SD1)

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

