

ACT 5

S.B. NO. 538

A Bill for an Act Relating to Hilo Hospital.

Be It Enacted by the Legislature of the State of Hawaii:

ACT 5

SECTION 1. Transfer or lease to the county of Hawaii. All functions and facilities pertaining to the operation and maintenance of Hilo Hospital, including all costs of operating and maintaining Hilo Hospital, except those functions relating to other hospitals, heretofore performed and assumed by the State, pursuant to Act 265, Session Laws of Hawaii 1969, as amended, may hereafter be transferred or leased, as the case may be, to the county of Hawaii, provided that the county of Hawaii shall by ordinance, accept transfer of functions and assume financial responsibility for the operation and maintenance of Hilo Hospital.

SECTION 2. Plan of transfer or lease. Upon the voluntary acceptance of the transfer or lease and related conditions specified in section 1 above, the governor and the mayor of the county of Hawaii shall develop a plan for the orderly transfer of the below-listed items, and the governor shall by executive order effectuate the transfer and declare the effective date thereof in accordance with the plan:

- (1) All employees of Hilo Hospital; provided that all state civil service personnel transferred shall acquire county civil service status without loss of salary, seniority, prior service credits, vacation, sick leave, or other employee benefits or privileges as a consequence of such transfer and any personnel exempted from civil service and transferred shall continue to retain the exempt status and shall not be appointed to a civil service position because of the transfer; provided further that subsequent changes in status may be made pursuant to the personnel laws of the county of Hawaii; and provided further that the State shall not be required to transfer funds to cover the vacation and sick leave credits earned or accumulated by the employees transferred;
- (2) All records, equipment, machinery, motor vehicles, files, supplies, contracts (and the rights and obligations under those contracts still in force and effect), books, papers, documents, and other personal property of every kind and description of Hilo Hospital; provided that it shall be without cost to the county of Hawaii or reimbursement to the State and without compliance with disposal procedures or requirements; and
- (3) The interests in and to any real property and the improvements thereon the use of which is directly related to and necessary for the operation and maintenance of Hilo Hospital.

SECTION 3. County of Hawaii may contract for management services. Upon the transfer or lease of Hilo Hospital, the county of Hawaii may contract for the management of Hilo Hospital. The county of Hawaii shall retain the option to resume management and operation of Hilo Hospital, if the perfor-

mance of the contractor does not conform to established standards of operation and management of health services. The county may contract with a private nonprofit corporation without regard to the requirements of chapter 103, Hawaii Revised Statutes, or a county ordinance to the contrary.

SECTION 4. Certificate of need exemption. Notwithstanding any provision of chapter 323D, Hawaii Revised Statutes, to the contrary, the transfer of functions pertaining to the operation and maintenance of Hilo Hospital from the State to the county of Hawaii shall not require a certificate of need from the state health planning and development agency.

SECTION 5. Alternative state authority to transfer management responsibilities. The governor may, as an alternative to transfer or lease authorized by section 1 above, contract for the management, operation, and maintenance of Hilo Hospital with a private, nonprofit corporation or lease the Hilo Hospital with the concurrence of the county of Hawaii by resolution. In both cases, the county of Hawaii shall provide assurances by ordinance that the county of Hawaii shall guarantee the financial obligations of the private, nonprofit corporation.

SECTION 6. Notwithstanding any other law to the contrary, the governor may transfer, lease, or contract as provided in sections 1 and 5 without regard to the requirements of laws relating to bidding, transfer of lands, and transfer of personnel.

SECTION 7. This Act shall take effect upon its approval.

(Approved April 12, 1984.)