

ACT 223

S.B. NO. 1630

A Bill for an Act Relating to Hospitals.

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

SECTION 1. The legislature finds that efforts must be made to expedite and improve the delivery of health care services provided by Hawaii's public hospital system. Changes in the way the State's public hospital system is operated and managed, and the restructuring of the system to allow for more health care decision-making at the hospital level involving those directly providing health care services, will improve hospital accountability.

This Act directs the department of health and all other involved agencies of the State to initiate basic restructuring to foster hospital involvement and accountability in a pilot project to minimize administrative "red tape", and encourage local health care professional participation in service decision-making at the Maui Memorial Hospital and the Hilo Hospital before system-wide changes are considered.

SECTION 2. The department of health, through its director, shall formulate policies for the autonomous operation of the Maui Memorial Hospital and the Hilo Hospital from July 1, 1990, to June 30, 1992. The director of health shall maintain the existing level of support services provided by the Maui Memorial Hospital and the Hilo Hospital during this period.

For the purpose of this Act, the term "autonomous operation" shall mean a method of hospital management that decentralizes health care decision-making and fosters local health care professional participation at the hospital level.

SECTION 3. The department of health shall formulate policy and exercise control as may be necessary to define a common set of health care goals which the Maui Memorial Hospital and the Hilo Hospital shall be responsible for fulfilling. The department shall also be responsible for the formulation of standards for measuring the efforts of the Maui Memorial Hospital and the Hilo Hospital toward achieving those goals. Subject to a review based on these goals and efforts, the Maui Memorial Hospital and the Hilo Hospital shall be allowed to utilize their resources in a flexible manner to achieve their objectives.

SECTION 4. Any state agency, except for the state health planning and development agency, that may be required to act under state law on a matter affecting the Maui Memorial Hospital and the Hilo Hospital, shall waive otherwise applicable policies, rules, or procedures when requested to do so by the director of health unless the agency can justify to the governor a denial of the request within thirty days. The department of health shall adopt procedures necessary to process waivers initiated by the hospitals subject to the pilot project.

SECTION 5. The department of health may adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to implement this Act.

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SECTION 6. In order to achieve the benefits of a decentralized and relatively unencumbered autonomous operation, the Maui Memorial Hospital and the Hilo Hospital shall be granted flexibility in the hiring of personnel, and in the collection and disbursement of funds by being exempt from the following statutory provisions during the pilot project's duration:

- (1) Sections 36-27 and 36-30, Hawaii Revised Statutes, relating to special fund reimbursements to the state general fund; and
- (2) Sections 103-22 and 103-42, Hawaii Revised Statutes, relating to advertising for bids and purchases to be made in Hawaii whenever public moneys are expended.

SECTION 7. The management advisory committee of each hospital shall fully participate in the pilot project.

SECTION 8. Nothing in this Act shall supersede collective bargaining agreements, civil service rules, or statutes protecting employee rights or providing employee benefits. No employee shall be adversely affected by this Act.

SECTION 9. The director of health shall submit to the governor, the president of the senate, and the speaker of the house of representatives interim status reports not less than twenty days prior to the convening of the 1991 and 1992 regular sessions and a final project completion report not less than twenty days prior to the convening of the 1993 regular session.

SECTION 10. This Act shall take effect on July 1, 1990, and shall be repealed on June 30, 1992, except section 9 which shall be repealed on January 1, 1993.

(Approved June 25, 1990.)