

A Bill for an Act Relating to Health.

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

SECTION 1. The legislature finds that there is a shortage of long-term care beds in many areas of the State, including Oahu. This shortage has placed an undue burden on acute care hospitals that are experiencing a long list of patients who are awaiting placement in a long-term care bed. The waitlist problem presents quality of care issues for both patients who are awaiting long-term care beds and patients who need acute care beds.

The closing of Hawaii Medical Center further exacerbated the shortage by eliminating a large number of available long-term care beds along with the elimination of other needed services. Furthermore, the number and types of beds eliminated by the closing of Hawaii Medical Center could not be fully absorbed by the existing facilities in the State.

Hawaii health systems corporation, the fourth largest public hospital system in the nation, operates public health care facilities that provide essential safety-net hospital and long-term care services throughout the State. The legislature further finds that Leahi hospital, a facility of the Hawaii health systems corporation, can help alleviate the shortage of long-term care beds, but needs major renovation.

Accordingly, the legislature finds that it is in the public interest to establish a public-private partnership between the owners of the facility previously known as Hawaii Medical Center-East, located on Liliha street in Honolulu, and the Hawaii health systems corporation, to provide long-term care and other health care services in the State.

The purpose of this Act is to provide for the health care needs of the community by authorizing the Hawaii health systems corporation to bring the Hawaii Medical Center-East facility under its governance through formal affiliation or acquisition.

SECTION 2. Chapter 323F, Hawaii Revised Statutes, is amended by adding a new section to part III to be appropriately designated and to read as follows:

“§323F- Hawaii Medical Center-East; affiliation; acquisition. (a) Hawaii Medical Center-East on Oahu may be assimilated into the corporation by negotiation between the corporation and the owners of Hawaii Medical Center-East. Assimilation may be accomplished with the creation of a new entity, a partnership, a long-term lease, or any other vehicle determined to be in the best interests of the public by the corporation board and as negotiated with the owners of Hawaii Medical Center-East. After assimilation, Hawaii Medical Center-East shall be operated by the corporation, either directly, through contractors, or through a subsidiary.

(b) None of the liabilities of Hawaii Medical Center-East shall become liabilities of the corporation.

(c) Hawaii Medical Center-East, once assimilated, shall be exempt from chapter 102 and section 103-53, and its board of directors, if any, shall be exempt from part I of chapter 92.

(d) The purchase of goods and services by or on behalf of Hawaii Medical Center-East, after assimilation, shall be exempt from chapters 103D and 103F.

(e) Assimilation of Hawaii Medical Center-East into the Hawaii health systems corporation shall be exempt from part VII of chapter 323D.

(f) As used in this section, "Hawaii Medical Center-East" means the facility previously known as Hawaii Medical Center-East located on Liliha street on the island of Oahu."

SECTION 3. New statutory material is underscored.¹

SECTION 4. This Act shall take effect upon its approval.

(Approved July 6, 2012.)

Note

1. Edited pursuant to HRS §23G-16.5.