



HOUSE COMMITTEE ON HEALTH
Tuesday, March 20, 2007, 8:29 a.m.

TESTIMONY IN OPPOSITION TO S.B. 1792 SD3
DAYTON M. NAKANELUA, STATE DIRECTOR, UNITED PUBLIC WORKERS

Chair Green, Vice Chair Mizuno, and members of the House Committee on Health, thank you for this opportunity to provide testimony on Senate Bill 1792 SD3 which proposes to create five regional subsidiary corporations under the Hawaii Health Systems Corporation (HHSC). The United Public Workers (UPW) is strongly opposed to S.B. 1792 SD3.

UPW represents Unit 1 and Unit 10 employees with HHSC in the State of Hawaii. Our UPW members work in the maintenance, food services, housekeeping, and medical departments of HHSC.

S.B. 1792 SD3 has the practical effect of dismantling HHSC as a system and creating virtually autonomous regional affiliate corporations for each region. UPW has serious concerns about the ability of HHSC to operate effectively.

In addition to HHSC, the establishment of five new regional affiliate corporations will create more confusion with bureaucracy. Currently, HHSC has the power to develop its own policies, procedures and rules, while at the same time S.B. 1792 SD3 provides each regional board to be "responsible for its own policies, procedures and rules", without being consistent with HHSC policies. One provision in S.B. 1792 SD3 says, in effect, that were corporation and regional policies come into conflict – the regional policies prevail.

Further, S.B. 1792 SD3 provides each of the five regions complete control over things such as leases, contracts, cooperative agreements, partnerships, purchasing agreements, health insurance contracting, and the purchase of malpractice insurance. There is no reference consistency needed to be with corporation-wide policies of HHSC.

We believe that it would be much more effective and efficient to remain a single system under HHSC. In conclusion, UPW strongly opposes the passage of S.B. 1792 SD3.