



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

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**The Twenty-Eighth Legislature, State of Hawaii
House of Representatives
Committee on Health**

**Testimony by
Hawaii Government Employees Association
February 6, 2015**

**H.B. 1075, H.B. 1112, H.B. 1420, H.B. 1254 –
RELATING TO THE HAWAII HEALTH SYSTEMS
CORPORATION**

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 1420 which recentralizes the Hawaii Health Systems Corporation and provides for the Auditor to complete a full financial and management audit of the System. These initial steps are critical and vitally important in accurately assessing the HHSC's current financial state and ensuring that appropriated funds are being prudently spent. The full financial and management picture must be thoroughly and independently assessed prior to the Legislature acting on any of the other aforementioned bills, H.B. 1075, H.B. 1112, and H.B. 1254, which authorizes privatization, establishes a process to determine if the System should privatize, and reestablishes the division of community hospitals under the Department of Health, respectively.

We raise serious reservations and grave concerns over proposed legislation to rapidly privatize the safety net hospital system: it is a risky and dangerous proposition, which may cause irreversible harm to our community. It is unrealistic to believe that Maui County's population of 144,000 residents can sustain similar utilization as Oahu's population of 953,000, without an exorbitant and perpetual state subsidy, a severe reduction of services, or a combination of both. Any type of private acquisition will rely heavily on tax payers' dollars to support the System, while the Legislature relinquishes its oversight on how those tax dollars are spent and cannot guarantee that the private operator remain.

Advancing legislation that enables privatization, without fully assessing the System's financial and management situation is premature. We respectfully implore the Legislature to judiciously complete its due diligence, ensure satisfactory answers to all of its questions, and exhaust every avenue prior to fracturing and selling a portion of the state's assets. We cannot afford any lesser degree of scrutiny or the potential of a failed experiment when it comes to delivering critical safety net services.

Thank you for the opportunity to provide testimony on the aforementioned bills.

Respectfully submitted,

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Executive Director