



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
March 1, 2022 at 12:30 p.m.

by
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

HB 1579 HD2 – RELATING TO THE DEPARTMENT OF HEALTH

Chair Luke, Vice Chair Yamashita, and members of the committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) supports House Bill (HB) No. 1579 HD2, Relating to the Department of Health (DOH). This bill extends the provision of time for the DOH to implement the transition of operations and assets for the O'ahu-based functions of Hawai'i Health Systems Corporation (HHSC) into the DOH. As with the bill towards the eventual Act 212, Session Laws of Hawai'i (SLH) 2021, the UH does not have any objections to the concept proposed in the bill. UH recognizes that such a transition must entail many issues to resolve whereby affording the department more time would be extremely valuable.

I will re-state UH's position from last year for the record. The UH has a number of academic programs throughout its various campuses of relevance to the health care industry. The background of the approach proposed in the bill has considered that UH could partner and participate with the DOH on repositioning services offered by HHSC and/or redevelopment opportunities at Lē'ahi in advancing possible health services on the site. The UH does not object with this concept and believes we can be a very good partner in those regards.

The UH is the recorded landowner of the parcel where Lē'ahi Hospital is located. The UH also owns other parcels adjacent or near to Lē'ahi Hospital and Kapi'olani Community College. Under the current arrangement, UH has leased the Lē'ahi parcel to HHSC at no cost for decades. While the UH would not intend to displace HHSC from the Lē'ahi Hospital property, if HHSC were to no longer use the property, the UH would expect that any new use would be consistent and compatible with our nearby campus and properties. Additionally, the UH's strategic objective for real estate expects that non-UH use of real property will be to increase lease revenue, increase utility of the property for the UH, and/or increase broader academic opportunities. At this point, we are content that Act 212, SLH 2021, adequately recognizes and sufficiently accounts for UH's interest in these regards. The UH would welcome the opportunity to work with the DOH on their transition of O'ahu-based health functions of HHSC.

Thank you for this opportunity to testify.