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MAUI REGIONAL SYSTEM BOARD SELECTS KAISER PERMANENTE TO OPERATE FACILITIES

WAILUKU, MAUI, Hawaii (September 23, 2015)—Hawaii Health Systems Corporation's (HHSC) Maui Regional System Board has selected Kaiser Permanente to proceed with negotiations with the Governor for the management, operation and provision of healthcare services at its facilities. HHSC's Maui Region facilities – which include Maui Memorial Medical Center (MMMC), Kula Hospital and Lanai Community Hospital – were authorized to transfer operations to a new entity through Act 103 (SLH 2015), signed by Governor David Ige in June 2015.

Kaiser Permanente is recognized as one of America's leading healthcare providers and not-for-profit health plans. Founded in 1945, Kaiser Permanente has a mission to provide high-quality, affordable health care services and to improve the health of its members and the communities it serves. Kaiser Permanente currently serves more than 10 million members in eight states and the District of Columbia. Kaiser Permanente currently serves more than 243,000 people in Hawaii, including over 55,000 on Maui.

"As a board, we were grateful for the opportunity to talk to staff, physicians, and our friends and neighbors about what kind of healthcare model we want moving forward," said Avery Chumbley, Maui Regional System Board Chair. "Kaiser Permanente provided us with its vision and strategy for improved healthcare in the Maui Region. We felt Kaiser Permanente could best serve the needs of our community."

The enactment of Act 103 (SLH 2015) authorized Maui Region to transfer its facilities to a new entity as a way to mitigate future budget deficits. Current budget estimates anticipate that deficits will continue to grow exponentially and potentially threaten services and jobs in Maui County. Once negotiations are complete and a definitive agreement is executed, Kaiser Permanente will become the new operator of the Maui Region facilities. The Maui Regional System Board will serve as the custodial caretaker of the property with oversight over the performance of the terms and conditions of the lease.

"We have a responsibility to meet the healthcare needs of our community, and we believe this transition provides us the greatest path forward to continue doing this," said Wesley Lo, CEO of HHSC Maui Region. "Act 103 was the culmination of years of hard work and dedication from our staff, physicians, past and current board members, and local leaders - our community will be better served thanks to their vision and determination."

The Maui Region of HHSC serves over 11,000 inpatients and over 45,000 emergency room patients per year and employs over 1,500 people. Maui Memorial Medical Center is Maui's only full-service, acute medical care facility and is the only hospital outside of Oahu that provides a full range of cardiac services, including open-heart surgery and angioplasty. For more information visit www.MauiMemorialMedical.org.

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