



**DEPARTMENT OF THE ATTORNEY GENERAL**

**DAVID Y. IGE**  
GOVERNOR

**DOUGLAS S. CHIN**  
ATTORNEY GENERAL

**9TH CIRCUIT COURT ALLOWS TRANSITION ACTIVITIES  
TO RESUME AT 3 MAUI HOSPITALS**

For Immediate Release  
June 17, 2016

News Release 2016-34

HONOLULU – Today the U.S. Court of Appeals for the 9th Circuit issued an order allowing transition activities between the State and Kaiser to resume at Maui Memorial Medical Center, Kula Hospital, and Lanai Community Hospital.

Two days ago, Governor David Ige and the United Public Workers (UPW) union filed a status report with the Court saying the parties are in the midst of productive conversations regarding a possible resolution of a lawsuit brought by the union in United Public Workers v. Ige. Governor Ige also asked the Court to let transition activities resume, and UPW did not oppose the Governor's request.

**Attorney General Doug Chin** explained, "Allowing transition activities to resume is the best way to give everyone involved adequate time to prepare and minimize disruption in services. Governor Ige's top priority is to protect patient care at the Maui region hospitals."

In 2015, the state legislature passed a law ending the Hawaii Health Systems Corporation's delivery of health care services at the three Maui facilities and transferring service delivery to a private operator. Earlier this year, the Hawaii Health Systems Corporation board and its regional board signed an agreement to transition the Maui hospitals to a new Kaiser entity, Maui Health Systems. UPW sued to stop the transition from taking place. On February 19, 2016, United States District Court Judge Helen Gillmor ruled in favor of the State, and UPW appealed to the 9th Circuit Court. On May 17, 2016, the 9th Circuit Court ordered the State to temporarily stop all activities related to the transition until September 30, 2016, unless sooner terminated by the Court.

"Today's order documents the parties' agreement that while negotiations continue, the State will not unilaterally change the status of UPW's members affected by this transition, or close the transaction," **Chin** said. "Other transition activities, however, may resume. Ultimately, we all just want an orderly and safe transition to Kaiser's operation of the Maui region hospitals."

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The Court ordered another joint status report on June 30, 2016.

A copy of the Parties' Joint Status Report dated June 15, 2016, and today's order are attached.

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**No. 16-15219**

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**IN THE UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT**

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UNITED PUBLIC WORKERS,  
Plaintiff-Appellant,

v.

DAVID Y. IGE, IN HIS OFFICIAL CAPACITY AS GOVERNOR  
OF THE STATE OF HAWAI‘I,  
Defendant-Appellee.

On appeal from the United States District Court  
for the District of Hawai‘i

Civ. No. 1:15-CV-00303-HG-KSC (Hon. H. Gillmor, J.)

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**PARTIES’ JOINT STATUS REPORT**

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## **PARTIES' JOINT STATUS REPORT**

As ordered by this Court on June 2, 2016, United Public Workers, Plaintiff-Appellant (Union) and Governor David Y. Ige, Defendant-Appellee, jointly submit this status report.

The parties report that they are presently engaged in productive discussions regarding a possible settlement of this case. To facilitate this process, Governor Ige agrees that he will request that this Court narrow the injunction pending appeal, as described below, and the Union agrees that it will not oppose this request during the time period of these discussions regarding a possible settlement. The parties also jointly request that the Court order the parties to file another joint status report with the Court no later than June 30, 2016.

As to the first part of this request, Governor Ige requests (and the Union does not oppose pending these discussions regarding a possible settlement) that this Court narrow the injunction pending appeal issued on May 17, 2016, as modified by the order of June 2, 2016 (Injunction), so that Governor Ige, and those acting in concert with him, are enjoined only from “unilaterally changing the public employment status, or the rights and benefits of UPW’s bargaining unit members affected by 2015 Haw. Sess. L. Act 103, or from closing the transaction authorized by 2015 Haw. Sess. L. Act 103.” In making this request, Governor Ige does not concede any of his arguments relevant to the merits of this appeal. As

narrowed in this fashion, other activities contemplated in preparation for the implementation of Act 103 would not be enjoined. This will facilitate the parties' efforts to settle this matter. The parties request that the current expiration date for the Injunction (Sept. 30, 2016, unless sooner lifted by the Court) remain unchanged for now, and that the Court continue to defer further review and consideration of the Governor's emergency motion filed on May 20, 2016, pending the filing of the parties' next Joint Status Report.

DATED: Honolulu, Hawai'i; and San Francisco, California, June 15, 2016.

Respectfully submitted,

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## CERTIFICATE OF SERVICE

I hereby certify that on June 15, 2016, a copy of Parties' Joint Status Report was duly served via CM/ECF of the Ninth Circuit Court of Appeals upon the following:

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DATED: Honolulu, Hawaii, June 15, 2016.

/s/ Douglas S. Chin  
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FILED

NOT FOR PUBLICATION

JUN 17 2016

UNITED STATES COURT OF APPEALS

MOLLY C. DWYER, CLERK  
U.S. COURT OF APPEALS

FOR THE NINTH CIRCUIT

UNITED PUBLIC WORKERS,  
AMERICAN FEDERATION OF STATE,  
COUNTY, MUNICIPAL EMPLOYEES,  
LOCAL 646, AFL-CIO,

Plaintiff - Appellant,

v.

DAVID Y. IGE, in his capacity as  
Governor of the State of Hawaii,

Defendant - Appellee.

No. 16-15219

DC No. 1:15 cv-0303 HG  
D Hawaii

ORDER

Before: TASHIMA, SILVERMAN, and GRABER, Circuit Judges.

Pursuant to the Parties' Joint Status Report, and Governor Ige's Unopposed Motion to Narrow the Injunction premised on the Parties' Joint Status Report, and good cause appearing,

**IT IS ORDERED:**

1. The injunction pending appeal, issued May 17, 2016, as modified by the order issued June 2, 2016, is hereby dissolved and replaced by the narrowed injunction pending appeal set forth in Paragraph 2, immediately below.

2. Defendant-Appellee David Y. Ige (“Governor”) and all persons acting in concert with the Governor are enjoined from unilaterally changing the public employment status, or the rights and benefits of UPW’s bargaining unit members affected by 2015 Hawaii Session Law Act 103, or from closing the transaction authorized by 2015 Hawaii Session Law Act 103. This injunction pending appeal is issued pursuant to Fed. R. App. P. 8 and Fed. R. Civ. P. 62(g), and shall remain in effect only until September 30, 2016, unless sooner terminated by the court.

3. On or before June 30, 2016, the parties shall file their Second Joint Status Report setting forth any change in and the current status of the case. Further review and consideration of the Governor’s emergency motion are deferred pending the filing of the parties’ Second Joint Status Report.