
A BILL FOR AN ACT

RELATING TO HEALTH CARE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that certificate of need
2 regulations have become an increasing burden on health care
3 access in Hawaii. According to multiple national studies,
4 certificate of need requirements are associated with higher
5 health care costs and fewer facilities, especially in rural
6 areas.

7 Under existing state law, twenty-eight health care services
8 require a certificate of need, making Hawaii's certificate of
9 need regime the most restrictive in the country.

10 The legislature further finds that health care shortages
11 caused by the coronavirus disease 2019 pandemic have been
12 exacerbated by the State's onerous certificate of need
13 requirements. Reforming the State's certificate of need laws
14 will help improve access and remove barriers to the expansion
15 and construction of certain much-needed facilities, especially
16 those concerned with mental health and substance abuse.



1 Therefore, the purpose of this Act is to remove unnecessary
2 restrictions that hamper health care access in the State by
3 exempting substance abuse treatment facilities, psychiatric
4 facilities, and certain bed change services from statutory
5 certificate of need requirements.

6 SECTION 2. Section 323D-54, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "**§323D-54 Exemptions from certificate of need**
9 **requirements.** Nothing in this part or rules with respect to the
10 requirement for certificates of need applies to:

11 (1) Offices of physicians, dentists, or other
12 practitioners of the healing arts in private practice
13 as distinguished from organized ambulatory health care
14 facilities, except in any case of purchase or
15 acquisition of equipment attendant to the delivery of
16 health care service and the instruction or supervision
17 for any private office or clinic involving a total
18 expenditure in excess of the expenditure minimum;

19 (2) Laboratories, as defined in section 321-11(12), except
20 in any case of purchase or acquisition of equipment
21 attendant to the delivery of health care service and



1 the instruction or supervision for any laboratory
2 involving a total expenditure in excess of the
3 expenditure minimum;

4 (3) Dispensaries and first aid stations located within
5 business or industrial establishments and maintained
6 solely for the use of employees; provided such
7 facilities do not regularly provide inpatient or
8 resident beds for patients or employees on a daily
9 twenty-four-hour basis;

10 (4) Dispensaries or infirmaries in correctional or
11 educational facilities;

12 (5) Dwelling establishments, such as hotels, motels, and
13 rooming or boarding houses that do not regularly
14 provide health care facilities or health care
15 services;

16 (6) Any home or institution conducted only for those who,
17 pursuant to the teachings, faith, or belief of any
18 group, depend for healing upon prayer or other
19 spiritual means;

20 (7) Dental clinics;



- 1 (8) Nonpatient areas of care facilities such as parking
- 2 garages and administrative offices;
- 3 (9) Bed changes that involve [~~ten~~] up to thirty per cent
- 4 or [~~ten~~] ____ beds of existing licensed bed types,
- 5 whichever is less, of a facility's total existing
- 6 licensed beds within a two-year period;
- 7 (10) Projects that are wholly dedicated to meeting the
- 8 State's obligations under court orders, including
- 9 consent decrees, that have already determined that
- 10 need for the projects exists;
- 11 (11) Replacement of existing equipment with its modern-day
- 12 equivalent;
- 13 (12) Primary care clinics under the expenditure thresholds
- 14 referenced in section 323D-2;
- 15 (13) Equipment and services related to that equipment, that
- 16 are primarily invented and used for research purposes
- 17 as opposed to usual and customary diagnostic and
- 18 therapeutic care;
- 19 (14) Capital expenditures that are required:



1 (A) To eliminate or prevent imminent safety hazards
2 as defined by federal, state, or county fire,
3 building, or life safety codes or regulations;

4 (B) To comply with state licensure standards;

5 (C) To comply with accreditation standards,
6 compliance with which is required to receive
7 reimbursements under Title XVIII of the Social
8 Security Act or payments under a state plan for
9 medical assistance approved under Title XIX of
10 such Act;

11 (15) Extended care adult residential care homes and
12 assisted living facilities; ~~or~~

13 (16) Psychiatric facilities;

14 (17) Substance abuse treatment facilities; or

15 ~~[(16)]~~ (18) Other facilities or services that the agency
16 through the statewide council chooses to exempt, by
17 rules pursuant to section 323D-62."

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

Certificate of Need; Exemptions; Psychiatric Facilities;
Substance Abuse Treatment Facilities; Bed Change Services

Description:

Expands the facilities or services that are exempt from certificate of need requirements to include psychiatric facilities, substance abuse treatment facilities, and certain bed change services. Effective 7/1/3000. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

