STAND. COM. REP. NO. (070)

Honolulu, Hawaii

FEB 14 , 2025

RE: H.B. No. 1179 H.D. 1

Honorable Nadine K. Nakamura Speaker, House of Representatives Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

## Madame:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1179, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RURAL EMERGENCY HOSPITALS," begs leave to report as follows:

The purpose of this measure is to:

- (1) Provide a statutory framework for the licensure of rural emergency hospitals at the state level; and
- (2) Provide for the continuation of Medicaid policy protections for hospitals transitioning to a rural emergency hospital designation.

Your Committee received testimony in support of this measure from the Department of Health; Hawaii Health Systems Corporation Corporate Board of Directors; Healthcare Association of Hawaii; and Maui Health System. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that there is a growing crisis of rural hospital closures nationwide. Since 2010, over one hundred fifty rural hospitals have closed, drastically reducing access to essential health care services for communities in need.

Your Committee further finds that to address this crisis, Congress created the Rural Emergency Hospital designation in section 125 of the Consolidated Appropriations Act of 2021. The Rural Emergency Hospital designation was designed to provide a lifeline to these critical facilities by allowing existing Critical Access Hospitals and small rural hospitals to convert their operations to this new financial model, which seeks to support the continuation of emergency and outpatient services without the financial strain of maintaining inpatient care. To fully take advantage of this new designation, state law is necessary to license the facilities at the state level. This measure allows these facilities to shift to a model of health care that will allow them to stay financially viable.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1179, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

SCOT Z. MATMOSHI, Chair

## State of Hawaii House of Representatives The Thirty-third Legislature

## H5CR 670

## **Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.: HB 1179, HD 1	Committee Referral:  HLT, CPC, FIN	Date	2/12)	25
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)				/
2. CHUN, Cory M. (VC)	361 33183 331 33930 3			(920005)
3. ILAGAN, Greggor				
J. MAGAN, Greggor			200 mg	
4. ICHIYAMA, Linda			1972	
5. IWAMOTO, Kim Coco				A CONTRACTOR OF STREET
	i, A. T. T. A			
6. KONG, Sam Satoru		77 mg 2 10 mg 2	2	ZOUTE MATERIAL MATERI
			PART AS INCHES	
7. LOWEN, Nicole E.				
8. MARTEN, Lisa				
9. TAM, Adrian K.	pullingstares   Agricultures   Adultures   Adultures	en jed allert ver	60078 (	
		1205001 330000 1050 343 150000 1050	die Jar	
10. PIERICK, Elijah				
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TOTAL (10)	7			3
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				