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# HOUSE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO EXAMINE THE PROCEDURES, IF ANY, THAT OTHER STATES AND JURISDICTIONS UTILIZE TO REVIEW THE DEVELOPMENT OF PROPOSED NEW MAJOR HEALTH CARE FACILITIES.

1           WHEREAS, under current law, no person, public or private,  
2 nonprofit or for profit, may construct, expand, alter, convert,  
3 develop, initiate, or modify a health care facility or health  
4 care service that requires a total capital expenditure in excess  
5 of \$4,000,000 for capital expenditures, \$1,000,000 for new or  
6 replacement medical equipment, or \$400,000 for used medical  
7 equipment, without first obtaining a certificate of need from  
8 the State Health Planning and Development Agency, sometimes,  
9 referred to as SHPDA; and

10  
11           WHEREAS, once an application is filed with SHPDA and is  
12 deemed complete, the application is submitted to the subarea  
13 health planning council for the area where the new facility or  
14 service is being proposed, of which at least one is established  
15 in each county, to review, take public input, and make  
16 recommendations on the application for the certificate of need  
17 to SHPDA; and

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19           WHEREAS, the application for the certificate of need is  
20 next forwarded to a statewide review panel, which shall include  
21 at least one member from each county and the majority of whose  
22 members shall be consumers, for its review and recommendation;  
23 and

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25           WHEREAS, the application of the certificate of need is next  
26 forwarded to the statewide health coordinating council, that is  
27 advisory to SHPDA and whose members are appointed by the  
28 Governor, and include both health care providers and health care  
29 consumers; and

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1 WHEREAS, the statewide health coordinating council is  
2 mandated, in part, to advise SHPDA with regard to the state  
3 certificate of need program; and

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5 WHEREAS, following the reviews and recommendations of the  
6 subarea health planning council, review panel, and statewide  
7 health coordinating council, the administrator of SHPDA, a  
8 single individual, makes a decision on the application for a  
9 certificate of need for the proposed new major medical facility  
10 or medical service; and

11  
12 WHEREAS, the decision of the administrator of SHPDA is then  
13 subject to a request by any person for a public hearing and  
14 review of the decision by a reconsideration committee that may  
15 reverse the decision of the SHPDA administrator for good cause  
16 shown; and

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18 WHEREAS, if the final decision by SHPDA or the  
19 reconsideration committee results in a denial of an application  
20 for a certificate of need, the applicant may appeal the SHPDA  
21 decision to the circuit court, in accordance with Chapter 91,  
22 Hawaii Revised Statutes, relating to reviews of agency actions;  
23 and

24  
25 WHEREAS, this process of applying for a certificate of need  
26 for any new major medical facility or medical service is  
27 repetitive, time-consuming, and expensive; and

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29 WHEREAS, it is illogical to allow one individual to make a  
30 decision that may involve an investment of hundreds of millions  
31 of dollars in any new major medical facility and that would  
32 impact the provision of needed medical services to an entire  
33 community; and

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35 WHEREAS, many other states and jurisdictions that had  
36 implemented similar procedures for the review of proposals for  
37 new major medical facilities or medical services have eliminated  
38 or modified these cumbersome procedures; now, therefore,

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40 BE IT RESOLVED by the House of Representatives of the  
41 Twenty-fourth Legislature of the State of Hawaii, Regular  
42 Session of 2007, the Senate concurring, that the Legislative  
43 Reference Bureau is requested to examine the procedures utilized



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1 in other states and jurisdictions, if any, for the review and  
2 approval of proposals for new major medical facilities; and  
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4 BE IT FURTHER RESOLVED that the Legislative Reference  
5 Bureau is requested to submit a report containing its findings  
6 to the Legislature not later than twenty days prior to the  
7 convening of the Regular Session 2008; and  
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9 BE IT FURTHER RESOLVED that a certified copy of this  
10 Concurrent Resolution be transmitted to the Director of the  
11 Legislative Reference Bureau.  
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OFFERED BY: \_\_\_\_\_

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JAN 19 2007

