
HOUSE 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

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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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31 WHEREAS, the statewide health coordinating council is
32 mandated, in part, to advise SHPDA with regard to the state
33 certificate of need program; and



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

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

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

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

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

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

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37 BE IT RESOLVED by the House of Representatives of the
38 Twenty-fourth Legislature of the State of Hawaii, Regular
39 Session of 2007, that the Legislative Reference Bureau is
40 requested to examine the procedures utilized in other states and
41 jurisdictions, if any, for the review and approval of proposals
42 for new major medical facilities; and

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1 BE IT FURTHER RESOLVED that the Legislative Reference
 2 Bureau is requested to submit a report containing its findings
 3 to the Legislature not later than twenty days prior to the
 4 convening of the Regular Session 2008; and

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 6 BE IT FURTHER RESOLVED that a certified copy of this
 7 Resolution be transmitted to the Director of the Legislative
 8 Reference Bureau.

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OFFERED BY: _____

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