



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

Committee on Health

HB 710, HD1, Relating to Health

**Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health**

February 24, 2009

- 1 **Department's Position:** The Department of Health supports HB 710, HD 1 (HSCR 278) but
2 suggest amending the bill to exempt other services in addition to long term care.
- 3 **Fiscal Implications:** No additional expenses will be incurred by the Department of Health or the State
4 Health Planning and Development Agency. The proposed bill may result in reduced special fund
5 revenue for the State Health Planning and Development Agency due to decreased certificate of need
6 application fees.
- 7 **Purpose and Justification:** While the Department of Health supports and appreciates the intent of HB
8 710, the Department respectfully suggests amending the bill to exempt other services in addition to long
9 term care – as was proposed in the Administration bill on revamping the Certificate of Need (CON)
10 process. HB 710 only removes long-term care facilities from the CON process, and the Department of
11 Health believes that additional services should be exempted. The goal of the amendment is to offer a
12 more comprehensive approach to streamlining the certificate of need process by exempting services
13 from the certificate of need process where obvious need exists in our communities. By removing these
14 services from the certificate of need process, the CON focuses on the most crucial elements of the health
15 care delivery system. The department suggests exempting the following additional services: acute

1 psychiatric beds and acute or long-term swing beds; long-term psychiatric beds, long-term tuberculosis
2 beds, long-term mental retardation beds, long-term Hansen's disease beds, long-term children's
3 orthopedics beds, long-term rehabilitation beds, mental retardation facilities, special treatment facilities,
4 and care homes; outpatient clinics, ultrasound services, clinical laboratories, pharmacies, social services,
5 home health agencies, drug rehabilitation centers, alcohol rehabilitation centers, recompression centers,
6 mental health centers, family planning clinics, prenatal clinics, abortion clinics, fixed-wing ambulances,
7 helicopter ambulances, comprehensive outpatient rehabilitative facilities, chronic renal dialysis centers,
8 and hospices.

9 Thank you for the opportunity to testify regarding HB 710, HD 1.



A non-profit organization run by and for persons with disabilities

Hawaii Centers for Independent Living
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Representative Ryan I. Yamane, Chair
Representative Scott Y. Nishimoto, Vice Chair
Committee on Health

Hawaii Centers for Independent Living

Tuesday, February 24, 2009, 9:30 AM, Conference Room 329

Opposing HB 710 HD1, Relating to Health

Hawaii Centers for Independent Living is a non-profit organization operated by and for people with disabilities to ensure their rights to live independently and fully integrated in the community of their choice, outside of institutional care settings. As a non-profit, statewide resource, HCIL serves people of any age with any type of disability. HCIL was founded on the historical constitutional beliefs of civil rights and the empowerment of people with disabilities to have equal access, opportunities, and choices in life, no matter how severe their disability.

We oppose HB710 HD1, Relating to Health.

We do not believe that people with disabilities, or senior citizens in general, should be housed in congregate settings such as nursing homes or other long-term care facilities. Rather, we feel they should be living independently in the community with appropriate supports. This is the essence of the 1999 Supreme Court decision in *Olmstead v. L.C.* and of Hawai'i's Olmstead Implementation Plan that has been approved by the Governor, as well as the report of the Joint Legislative Committee on Aging In Place, particularly its Home for Life Task Force. We fear that, if long-term care facilities are exempted from the certificate of need process as proposed in HB710 HD1, there will be a headlong rush to build new institutional facilities in response to perceived demand for long-term care beds. We believe that people need homes, not beds in institutional settings that are prohibitively expensive to operate in the long run, as well as denying their residents, both senior citizens and people with disabilities, their civil right under *Olmstead* to live independently in the community.

We urge the committee not to pass HB710 HD1. Thank you for this opportunity to testify.

Sincerely,

Mark F. Romoser
Policy and Program Analyst



HOUSE COMMITTEE ON HEALTH

Rep. Ryan Yamane, Chair

Conference Room 329

February 24, 2009 at 9:30 a.m.

Testimony in opposition to HB 710 HD 1.

I am Chris Pablo, representing Rich Meiers and the Healthcare Association of Hawaii. The Association advocates for its member organizations that span the entire spectrum of health care, including acute care hospitals, two-thirds of the long term care beds in Hawaii, as well as home care and hospice providers. Thank you for this opportunity to testify in opposition to HB 710 HD1, which exempts long term care facilities from the certificate of need (CON) process.

CON requires certain health care providers to obtain state approval before offering certain new or expanded services. It is designed to help ensure that new services proposed by health care providers are needed for quality patient care within a particular region or community. CON prevents unnecessary duplication of services by selecting the best proposal among competing applicants who wish to provide a particular health service.

The Healthcare Association recognizes that CON is not perfect, but any changes should be initiated from within SHPDA or the Statewide Health Coordinating Council.

For the foregoing reasons, the Healthcare Association opposes HB 710 HD 1.



February 24, 2009

To: Chair Ryan Yamane
Members of the House Committee on Health
From: Bob Ogawa, President
Hawaii Long Term Care Association
Re: H.B. 710, Exempting long term care facilities from the
Certificate of Need process

The Hawaii Long Term Care Association (HLTCA) does not support H.B. 710.

We understand and thoroughly appreciate the intent and goals behind this measure: to ensure that Hawaii has an adequate long term care infrastructure and to reduce perceived obstacles to achieving that goal. However, there are three points we wish to make:

1. Of all the major facets of the long term care spectrum, only nursing facilities fall under the CON requirement. Type I and II Adult Residential Care Homes (ARCHs), Type I and II Expanded Care ARCHs, community care foster family homes and assisted living facilities all do not.
2. HLTCA's skilled nursing facility members account for nearly 1,700 such beds. Some facilities have been in operation for more than a half-century, some just a few years, one is yet to be built. Whether going through ground-up construction or expansion, no one has ever found the CON process to be a superfluous barrier. Having to show necessity, appropriateness, financial soundness and the ability to provide quality care to our kupuna and disabled are requirements with which our members have never had a problem. In fact, they believe it is only proper and prudent -- both from the perspective of preserving the integrity of Hawaii's care standards and from the standpoint of good public health policy..
3. What we need to focus upon, instead, are: First, providing *general* incentives like the concept proposed in H.B. 1567, which would add skilled nursing facilities to the businesses that may qualify for benefits under the State's Enterprise Zones law. Second, seeking *targeted* incentives to encourage growth in specific areas of care, like addressing the very special needs of patients on our hospital waitlists -- which we are currently doing, in partnership with DHS and HAH, in working to establish a medicaid reimbursement tier that correlates to the most prevalent conditions of waitlisted patients.

For these reasons, while appreciative of its intent, we must respectfully oppose this measure. Thank you.