H.B. NO. 1764

### A BILL FOR AN ACT

RELATING TO HEALTH.

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

1 SECTION 1. (a) The legislature finds that, in response to the accelerating growth rate of the State's elderly population, 2 the legislature enacted Act 92, Session Laws of Hawaii 2012. 3 Act 92 transferred the administration and oversight of home and 4 community-based case management agencies, community care foster 5 6 family homes, and adult day care centers, that were previously under the jurisdiction of the department of human services, to 7 the department of health's office of health care assurance. In 8 2012, the legislature found that consolidating the authority, 9 duties, responsibilities, and jurisdictions of these programs 10 would improve government efficiency and capacity, which would 11 12 ultimately improve the quality of the State's health care 13 services.

14 Although the consolidation of these services within the 15 department of health has been successful in achieving its goals, 16 the legislature finds that there is still a need to improve the 17 efficiency and capacity of health care oversight in the State,



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particularly in the area of licensing and certification. For
 example, due in part to a shortage of funds and lack of
 departmental personnel, dialysis centers face a nearly three year wait to receive certification, far longer than the typical
 wait of nine to twelve months in other states.

Meanwhile, there is a growing demand for dialysis services. 6 Every year, seven hundred more individuals in the State require 7 dialysis treatment than in the previous year. The State's two 8 dialysis operators, Liberty Dialysis and U.S. Renal Care, have 9 opened and plan to open additional dialysis centers to meet this 10 11 increased demand. However, without certification from the department of health, the new dialysis centers cannot be 12 reimbursed for treating medicare and medicaid patients, who make 13 up eighty-five per cent of Hawaii's dialysis population. This 14 has created an artificial shortage in the number of available 15 dialysis centers, and has forced certified dialysis centers to 16 operate beyond their capacity by scheduling patients after 17 normal hours. 18

19 Similarly, a shortage of departmental personnel has also
20 delayed the opening of the State's medical cannabis
21 dispensaries. The delays have hindered access to medical



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cannabis for many of the nearly twenty thousand medical cannabis
 patients in the State.

3 The legislature finds that centralizing as many of the 4 department of health's licensing and certification processes as possible into a single office will increase government 5 efficiency, decrease costs, reduce duplication of service, and 6 7 help the department focus on standardization across its programs. Most importantly, the centralization of the processes 8 9 will help the State approve medical facilities more expeditiously and improve patients' quality of care and 10 experience as they utilize health care services. 11

(b) The purpose of this Act is to continue to increase government efficiency by transferring and consolidating inspection, licensing, and certification activities pertaining to the following state-licensed or state-certified facilities into a single office within the department of health:

- 17 (1) Adult day health centers;
- 18 (2) Adult day care centers;
- 19 (3) Community care foster family homes;



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1	(4) Developmental disabilities domiciliary homes;
2	(5) Adult foster homes;
3	(6) Developmentally disabled adult foster homes;
4	(7) Long-term care facilities;
5	(8) Medical cannabis dispensaries;
6	(9) Special treatment facilities; and
7	(10) Dialysis facilities.
8	The legislature intends that the same surveyors and
9	inspectors be responsible for all of these facilities, thus
10	allowing the department to reduce its current facility
11	certification backlog by maximizing the department's use of
12	personnel. This arrangement will also provide the department
13	flexibility to meet future changes in health care demand.
14	SECTION 2. Chapter 321, Hawaii Revised Statutes, is
15	amended by adding a new section to part I to be appropriately
16	designated and to read as follows:
17	"§321- Inspections; licenses; central office. (a) The
18	department of health shall consolidate all inspection and
19	licensing activities pertaining to the following state-licensed
20	or state-certified facilities into a single office:
21	(1) Adult day health centers;



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1 Adult day care centers; (2) 2 (3) Community care foster family homes; 3 (4) Developmental disabilities domiciliary homes; 4 (5) Adult foster homes; 5 Developmentally disabled adult foster homes; (6) Long-term care facilities, including but not limited 6 (7) 7 to: 8 Adult residential care homes; (A) Expanded adult residential care homes; 9 (B) 10 Assisted living facilities; (C) Intermediate care facilities; 11 (D)12 (E) Nursing facilities; and Skilled nursing facilities; 13 (F) 14 Medical cannabis dispensaries; (8) 15 Special treatment facilities; and (9) Dialysis facilities. 16 (10) (b) Employees performing surveys or inspections pertaining 17 to licensing, certification, relicensing, or recertification 18 shall be trained and accredited to inspect and certify all types 19 20 of facilities listed in subsection (a)."



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1	SECTION 3. The department of health shall submit a report	
2	to the legislature not later than twenty days prior to the	
3	regular sessions of 2019, 2020, 2021, and 2022 on the	
4	consolidation of services required pursuant to this Act and the	
5	licensing and certification services or duties required pursuant	t
6	to section 321- , Hawaii Revised Statutes, for the preceding	
7	calendar year. The report shall include:	
8	(1) The number of inspections, by each type of state-	
9	licensed or state certified facility, completed by the	е
10	office;	
11	(2) The number of certifications or licenses, by type of	
12	facility, issued by the office;	
13	(3) The number of facilities, by type, that have applied	
14	for but have not yet received a certification or	
15	license; and	
16	(4) Any recommendations or proposed legislation that may	
17	be necessary to carry out the purposes of this Act.	
18	SECTION 4. New statutory material is underscored.	



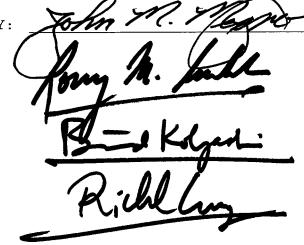
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SECTION 5. This Act shall take effect on July 1, 2018.

INTRODUCED BY:



JAN 1 6 2018



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**Report Title:** DOH; Licensing; Certification; Consolidation

#### Description:

Requires the Department of Health to consolidate all inspection and licensing activities for certain state-licensed or statecertified facilities into a single office. Requires employees performing surveys or inspections for licensing or certification to be trained and accredited to inspect and certify all facilities within the office's jurisdiction.

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

