
HOUSE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY
OF THE NECESSITY FOR THE CERTIFICATE OF NEED PROCESS UNDER
CHAPTER 323D, HAWAII REVISED STATUTES.

1 WHEREAS, Certificate of Need (CON) programs are state-level
2 regulatory programs that require approval from a state health
3 planning agency for construction, expansion, and major capital
4 expenditures by health care facilities and services; and
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6 WHEREAS, Hawaii's CON law, codified in part V of chapter
7 323D, Hawaii Revised Statutes, was established in 1975 in
8 response to the National Health Planning and Resources
9 Development Act of 1974 (NHPRDA), which conditioned the award of
10 federal public health service grants upon a state's adoption of
11 such regulatory measures; and
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13 WHEREAS, in 1987, the federal mandate and funding
14 provisions of NHPRDA were repealed; and
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16 WHEREAS, since the repeal of NHPRDA, fourteen states have
17 dropped their CON programs while several other states have
18 narrowed the application of their CON laws to only certain types
19 of facilities; and
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21 WHEREAS, Hawaii's law requires the State Health Planning
22 and Development Agency to approve a CON for the construction,
23 expansion, alteration, conversion, development, initiation, or
24 modification of all health care facilities or health care
25 services in the State; and
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27 WHEREAS, like many other states' CON laws, Hawaii's CON law
28 is intended to provide a coordinated system that links statewide
29 planning for health services with facilities development; and



1 WHEREAS, Hawaii's CON Program, like other programs
2 nationwide, has been criticized on several bases, which include:

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4 (1) Hampering the efficient performance of healthcare
5 markets by creating barriers to entry and expansion,
6 restricting free and open competition, and limiting
7 consumer choice, resulting in higher prices;
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9 (2) Hampering innovation and improvements in the delivery
10 of better healthcare by limiting competition;
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12 (3) Inconsistency in the administration of the program;
13 and
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15 (4) Not achieving its objective of controlling healthcare
16 costs; and
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18 WHEREAS, national health care reform and other changes
19 taking place in the health care marketplace make it appropriate
20 to examine the relevancy of Hawaii's CON program and its effects
21 on health care access, quality, and costs; now, therefore,
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23 BE IT RESOLVED by the House of Representatives of the
24 Thirtieth Legislature of the State of Hawaii, Regular Session of
25 2020, the Senate concurring, that the Legislative Reference
26 Bureau is requested to conduct a study of the necessity for the
27 CON process under chapter 323D, Hawaii Revised Statutes, with
28 respect to:
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- 30 (1) The role of the CON program;
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32 (2) Whether certain facilities, types of facilities, or
33 services should be exempt from the CON process; and
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35 (3) Whether modifications made to the CON process in other
36 states may be beneficial to implement in Hawaii; and
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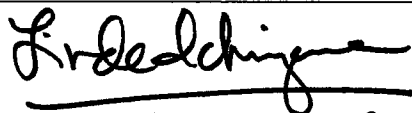

38 BE IT FURTHER RESOLVED that the Legislative Reference
39 Bureau is requested to make appropriate recommendations to
40 eliminate or modify the CON process; and



1 BE IT FURTHER RESOLVED that the Legislative Reference
2 Bureau is requested to submit a report of its findings and
3 recommendations with regard to the CON process, including any
4 proposed legislation, to the Legislature no later than twenty
5 days prior to the convening of the Regular Session of 2021; and
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7 BE IT FURTHER RESOLVED that certified copies of this
8 Concurrent Resolution be transmitted to the Director of Health,
9 Administrator of the State Health Planning and Development
10 Agency, and Director of the Legislative Reference Bureau.
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OFFERED BY:

FEB - 3 2020

