

STAND. COM. REP. NO. 1156

Honolulu, Hawaii

MAR 25 2021

RE: H.B. No. 224  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 224,  
H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE STATE HEALTH PLANNING AND  
DEVELOPMENT AGENCY,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Exempt psychiatric services, special treatment facilities, and chronic renal dialysis services from the certificate of need requirements;
- (2) Authorize administrative penalties for persons who do not comply with an approved certificate of need;
- (3) Provide that any money in the state health planning and development special fund in excess of \$2,000,000 shall lapse to the general fund;
- (4) Transfer the administration of the state health planning and development special fund from the state health planning and development agency to an unspecified agency;



- (5) Require a fee for any request for reconsideration under section 323D-47; and
- (6) Make an appropriation from the health planning development fund.

Your Committee received testimony in support of this measure from the Department of Health, Hawai'i Pacific Health, Healthcare Association of Hawaii, Institute for Justice, Satellite Healthcare, Ohana Pacific Health, Hale Makua Health Services, Hawaii Medical Service Association, and one individual. Your Committee received testimony in opposition to this measure from three individuals. Your Committee received comments on this measure from the State Health Planning and Development Agency, Kaiser Permanente, Grassroot Institute of Hawaii, Hawaii Government Employees Association, Hawai'i Primary Care Association, Hawaii Substance Abuse Coalition, Liberty Dialysis - Hawaii, American Medical Response Hawaii, and two individuals.

Your Committee finds that the Governor's executive biennium budget proposes downsizing the State Health Planning and Development Agency (SHPDA) and transferring its role of administering the Certificate of Need (CON) Program to the Department of Health. Your Committee also finds that the CON Program is a vital regulatory component for ensuring accessibility to health care in Hawaii as well as the long-term financial viability of the health care delivery system. This measure proposes various amendments to SHPDA and its associated statutes that ensure its continuing viability while meeting the Governor's goals of minimizing costs.

Your Committee recognizes the testimony of various stakeholders in the hospital community who proposed that SHPDA be required to reassess and revise its state plan every five years. Your Committee has amended this measure by:

- (1) Requiring the Department of Health to alternatively be responsible for SHPDA's duties and responsibilities;
- (2) Requiring SHPDA or the Department of Health to reassess and revise its state plan every five years;



- (3) Removing the proposed fee for an applicant requesting reconsideration of SHPDA's decision; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 224, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 224, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Health,



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JARRETT KEOHOKALOLE, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes  
Committee on Health  
HTH**

Bill / Resolution No.:* <b>HD 224 HDI</b>	Committee Referral: <b>HTH, WAM</b>	Date: <b>3-22-2021</b>
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The Committee is reconsidering its previous decision on this measure.  
If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312     
  Pass, with amendments 2311     
  Hold 2310     
  Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
BAKER, Rosalyn (VC)	✓			
MORIWAKI, Sharon Y.				✓
SAN BUENAVENTURA, Joy A.				✓
FEVELLA, Kurt		✓		
<b>TOTAL</b>	<b>2</b>	<b>1</b>	<b>—</b>	<b>2</b>

Recommendation:     
  Adopted     
  Not Adopted

Chair's or Designee's Signature:

**Distribution:**     
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\*Only one measure per Record of Votes