STAND. COM. REP. NO. 2449

Honolulu, Hawaii

FEB 1 5 2024

RE: S.B. No. 2123 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committees on Health and Human Services and Commerce and Consumer Protection, to which was referred S.B. No. 2123 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

beg leave to report as follows:

The purpose and intent of this measure is to repeal the Certificate of Need Program.

Your Committees received testimony in support of this measure from Grassroot Institute of Hawaii and one individual.

Your Committees received testimony in opposition to this measure from the State Health Planning and Development Agency; Hawai'i Primary Care Association; Healthcare Association of Hawaii; Kaua'i Hospice, Inc.; Hawai'i Pacific Health; Kōkua Mau, A Movement to Improve Care; Hawaii Federation of Republican Women; Hawai'i Care Choices; and four individuals.

Your Committees received comments on this measure from UNITE HERE! Local 5 and U.S. Renal Care.

Your Committees find that the Certificate of Need Program is a critical tool to lower health care costs and protect patients in the State. However, at times, the Certificate of Need Program has inhibited equitable access to health care, including in rural areas and vulnerable populations. Limited options may lower the



STAND. COM. REP. NO. 2449 Page 2

quality and accessibility to health care for many residents, leaving certain conditions untreated or without a high level of care. This measure repeals the Certificate of Need Program to improve the quality of and access to health care in the State.

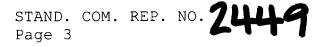
Notwithstanding, your Committees note the concerns raised by the Healthcare Association of Hawaii regarding the complete repeal of the Certificate of Need Program. Presently, the Certificate of Need Program provides greater accessibility to expensive services that cannot realistically be supported in smaller communities and prevents exploitation of vulnerable populations. Additionally, the Certificate of Need Program facilitates transparency, accountability, and the opportunity for dialogue between providers seeking to expand services in the health care marketplace through independent agency review. As the Certificate of Need Program provides valuable services across the State, including rural areas and to vulnerable populations, retaining the Certificate of Need Program while providing for certain exemptions can promote efficiency and accessibility to high quality services within the health care system.

Accordingly, your Committees have amended this measure by:

- Deleting its contents and inserting contents that exempt psychiatric services and chronic renal dialysis services from certificate of need requirements;
- (2) Amending section 1 to reflect its amended purpose; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2123, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2123, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.





Respectfully submitted on behalf of the members of the Committees on Health and Human Services and Commerce and Consumer Protection,

KEOHOKALOLE, Chair JOY Chair BUENAVENTURA, RETT



The Senate Thirty-Second Legislature State of Hawaiʻi

Record of Votes Committee on Health and Human Services HHS

Bill / Resolution No.:* SB 2123	Committee Referral: HHS/CPN, JDC/WAM 2/7/24								
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WR)	Nay	Excused				
SAN BUENAVENTURA, Joy A. (C)									
AQUINO, Henry J.C. (VC)									
KEOHOKALOLE, Jarrett									
SHIMABUKURO, Maile S.L.									
AWA, Brenton									
		· · ····							
			1						
· · · · · · · · · · · · · · · · · · ·									
TOTAL		3		1					
Recommendation: Adopted Not Adopted									
Chair's or Designee's Signature:									
Distribution: Original File with Committee Re	Pellow Pink Goldenr Port Clerk's Office Drafting Agency Committee Fi								

*Only <u>one</u> measure per Record of Votes

The Senate Thirty-Second Legislature State of Hawaiʻi

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:*		Committee Referral: Date:						
5BZ)23	HH5/CPN, JDC/WAM 2/7/24							
The Committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members		Aye	Aye (WR)	Nay	Excused			
KEOHOKALOLE, Jarrett (C)								
FUKUNAGA, Carol (VC)								
MCKELVEY, Angus L.K.								
RICHARDS, III, Herbert M. "Tim"					\checkmark			
AWA, Brenton				<u> </u>				
		<u> </u>						
			<u> </u>					
		<u> </u>	╞╴╴╴╴					
	·							
TOTAL		2			2			
Recommendation:	/	L	_ <u></u>					
Adopted Not Adopted								
Chair's or Designee's Signature:								
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy								

*Only <u>one</u> measure per Record of Votes