

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

DEPARTMENT OF HEALTH - KA 'OIHANA OLAKINO

JOSH GREEN, M.D. GOVERNOR OF HAWAI'I KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAI'I

KENNETH S. FINK, MD, MGA, MPH DIRECTOR OF HEALTH KA LUNA HO'OKELE

John C. (Jack) Lewin, M.D.

ADMINISTRATOR

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House Committee on Health & Homelessness

H.B. 1963 Relating to Health Care

Testimony of John C. (Jack) Lewin, M.D. SHPDA Administrator

Wednesday, February 7, 2024 9:45 a.m.

- 1 Agency's Position: OPPOSE, with COMMENTS
- 2 Fiscal Implications: None

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- 3 **Purpose and Justification:** This bill would eliminate the need for certificate of need (CON)
- 4 applications/filings for substance abuse services, psychiatric beds, hospice services, dialysis
- 5 facilities, and also for acute bed expansions when needed.
 - We understand why the introducers may feel these are reasonable suggestions, but we wish to comment.
- 8 In general, we believe these CON functions have value for health care quality, and
- 9 numerous empirical studies have shown that certificate of need requirements are associated
- with lower (not higher) health care costs and higher quality of care and outcomes for patients.
- In three separate studies conducted by the three major U.S. automakers, each reported lower
- per-person health costs in states with CON programs than in states without such programs,
- with costs in some non-CON states being nearly triple what they were in states having a CON
- program. The three automakers also conducted a separate CT and MRI cost analysis

comparison and that found that the cost per covered life for CT scans was 67 percent higher in states without CON due to higher utilization and cost per scan; the cost per covered life for MRI was 20 percent higher in non-CON states.

Similarly, the largest study of CON regulation on quality and treatment outcomes published in The Journal of the American Medical Association found that open heart surgery mortality rates were 21% lower in states with CON regulation than in states without.

Of course, states manage the CON process with varying effectiveness and timeliness. We believe Hawai'i's program is one of the best of the states. Basically, three members of our staff, among other responsibilities, are largely responsible for the technical, public testimony, and data analytics and statistics aspects of our program, which produces CON results expeditiously and efficiently based on updated statistics from our Health Services and Facilities Plan and national sources of appropriate utilization, staffing, and quality data. The administrative burden on CON applicants in Hawai'i is minimal. All submitted applications are reviewed for completeness by the Agency within thirty days of the date of submittal in conformity with Hawai'i Administrative Rules, and usually much faster, and on average in 2 weeks. Once the applicant has corrected any errors or omissions in the application, a review and decision are made by the Agency in as little as 30 days for most applications, with 90 days being the maximum, and only for a small percentage. In some cases, the applicant will request a longer period for review depending on their individual circumstances, which is solely their choice.

Additionally, SHPDA would like to advise that the CON program in Hawai'i regulates a very small portion of the total continuum of care for some exemptions proposed in H.B. 1963.

Hawai'i Administrative Rules §11-186-5 contains a list of services regulated by CON. We will enumerate the categories on which we wish to comment:

First, "substance abuse facilities" are not on this list and therefore do not require a CON. A small subset of them, "residential special treatment facilities", are on this list and are by definition "therapeutic residential program for care, diagnoses, treatment or rehabilitation services for socially or emotionally distressed persons, mentally ill persons, persons suffering from substance abuse, and developmentally disabled persons." These special treatment facilities are a small, very specialized portion of the continuum of care for persons with substance abuse. Our comment here is that the minority of such facilities run by the Department of Health (DOH) should be exempted. The majority that are contracted or run by private agencies will benefit from the public notice requirement to allow a SHPDA review of their history and assessment of capability of quality performance and public comment.

Second, the only psychiatric services regulated by CON in Hawai'i are "psychiatric bed" services, which include state (DOH) facilities, but also private Hawai'i hospitals. The possibility of additional contracted and private psychiatric bed applications is possible and expected in the future. SHPDA is aware of the need for more of these services and is committed to expediting these approvals, for which applicants certainly have planning timelines that would them to submit CON applications ahead of their anticipated need for new beds. Again, this allows for public notice and comment, and for performance history and quality care assessments by SHPDA.

Third, regarding new hospice requests, SHPDA believe CONs offer public value. True, hospices are usually regulated by Medicare over time after establishment, which might offer a means to consider exempting them as safe. We nonetheless believe that public notice and comment and SHPDA assessment of history and quality of care of applicants offers merit. We note that he US Department of Justice is current conducting multiple hospice fraud investigations in four western states.

Fourth, dialysis centers are also in short supply in many areas of Hawai'i and should be expedited. However once again, any applicant should be able to anticipate submitting their proposal within the short time frame required for a CON review, and we will benefit from public notice and ability to comment, and from a SHPDA review of the applicant's history, staff training, and quality of care capacity.

Finally, we comment on the proposed change for exempting hospital bed changes from 10 to up to 30 percent of a facilities total existing licensed beds within a two-year period. There are already provisions in our rules to grant temporary emergency bed changes for situations like COVID or sudden changes in admissions. We therefore believe compromising to exempt up to 20% of total licensed beds in 2 years is reasonable.

Thank you for the opportunity to testify.



Wednesday, February 7, 2024 at 9:45 am Conference Room 329 & Videoconference

House Committee on Health and Homelessness

To: Representative Della Au Belatti, Chair

Representative Jenna Takenouchi, Vice Chair

From: Michael Robinson

Vice President, Government Relations & Community Affairs

Re: HB 1963 - Comments

RELATING TO HEALTH CARE.

My name is Michael Robinson, and I am the Vice President of Government Relations & Community Affairs for Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

I write to provide **comments** on HB 1963 which expands the facilities or services that are exempt from the certificate of need (CON) requirements. Specifically, the measure exempts dialysis centers, substance abuse facilities, psychiatric facilities, and certain bed change services from statutory CON requirements.

The CON process is an essential regulatory forum for the management of healthcare delivery capacity in our State. The CON process facilitates transparency, accountability, and the opportunity for dialogue between providers seeking to expand services in the healthcare marketplace through independent agency review. However, we recognize that not every type of healthcare facility should be required to undergo a CON review. As such, expanding the facilities or services that would be exempt from the CON process may be an appropriate means of enabling the specified facilities or services to become operational sooner.

Thank you for the opportunity to testify.



To: The Honorable Della Au Belatti, Chair

The Honorable Jenna Takenouchi, Vice Chair

Members, House Committee on Health & Homelessness

From: Jacce Mikulanec, Director, Government Relations, The Queen's Health System

Date: February 7, 2024

Re: Comments on HB1963: Relating to Health Care

The Queen's Health System (Queen's) is a nonprofit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, and more than 10,000 affiliated physicians, caregivers, and dedicated medical staff statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to provide comments on HB1963, which would expand the facilities or services that are exempt from certificate of need requirements. While we appreciate the intent of this measure, we currently see the existing state certificate of need process beneficial for the overall healthcare system by providing a degree of oversight focused on reducing duplicative health services, in evaluating whether new capital expenditures address community health needs (regionally and statewide), and in reviewing the impact of hospital and health facility acquisitions.

From our perspective, the certificate of need process has not impeded normal business practice in terms of time and cost. From a policy perspective, if you are removing hospice, psychiatric, substance abuse, and dialysis facilities from the certificate of need process you also need to evaluate any unintended consequences from a consumer protection perspective. We believe the CON process provides important market transparency and helps ensure that the oversight processes surrounding healthcare services in our state do not fall prey to politicization and malfeasance.

Mahalo for allowing Queen's to provide comments on this measure.



February 5, 2024

Committee on Health and Homelessness

Rep. Della Au Belatti, Chair

Rep. Jenna Takenouchi, Vice Chair

Committee on Commerce and Consumer Protection

Senator Jarrett Keohokalole, Chair

Senator Carol Fukunaga, Vice Chair

RE: TESTIMONY IN OPPOSITION OF HB1963
RELATING TO THE STATE HEALTH PLANNING & DEVELOPMENT AGENCY

Greetings Chair and Honorable Members of the Committee(s),

Thank you for the invaluable opportunity to provide testimony opposing **HB1963**, which seeks to expand the facilities or services that are exempt from certificate of need requirements.

The Certificate of Need process and its associated requirements play a pivotal role in fostering healthy, high-quality, and responsibly managed growth within our communities. It is essential to underscore that CON requirements do not impede progress; rather, they serve as a vital resource for consumer protection in Hawai'i. These requirements facilitate rigorous evaluation, often incorporating valuable input from the public and stakeholders, while simultaneously curbing healthcare expenditure. Stripping away the Certificate of Need for hospice homes and other hospice facilities would inevitably result in an influx of low-volume establishments, compromising the quality of care and depleting the already limited resources available to our island communities.

CON programs serve a crucial function by ensuring equitable access to care for disadvantaged populations and addressing healthcare deserts that new or existing medical centers may neglect. The removal of CON requirements would inadvertently favor for-profit institutions, potentially disinclined to provide indigent care. It is imperative to recognize that the passage of **HB1963** is not aligned with the best interests of Hawai'i. The CON process must endure as a vital tool, guaranteeing that those who choose to offer hospice service in Hawai'i do so with the utmost dedication, at the right time and place, armed with the necessary resources and a genuine commitment to serve all the people of our beloved state.

With over four decades of experience in tending to the hospice, bereavement, and palliative care needs of those residing on the Garden Island, we (Kaua`i Hospice) are acutely aware of our finite resources, particularly our access to qualified healthcare personnel. The Certificate of Need requirements provide Hawai`i with the means to ensure that our limited resources are efficiently allocated toward delivering high-quality, person centered care. I respectfully implore you to stand in opposition to **HB1963** and safeguard the CON requirements for hospice homes and other hospice facilities. The well-being of our community, particularly those facing end-of-life challenges, depends on it.

Thank you for the opportunity to submit **testimony in strong opposition to HB1963**. Together, we can continue to prioritize the health and welfare of the people of Hawai`i.

Most sincerely,

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Tricia-Lynn Kalaniho`okaha Yamashita, MPH Executive Director, Kaua`i Hospice, Inc.

Cc: Senate President, Ron Kouchi Representative, Dee Morikawa Representative, Nadine Nakamura Representative, Luke Evslin



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Wednesday, February 7, 2024 at 9:45 am Conference Room 329

House Committee on Health and Homelessness

To: Chair Della Au Belatti

Vice Chair Jenna Takenouchi

From: Paige Heckathorn Choy

Associate Vice President, Government Affairs

Healthcare Association of Hawaii

Re: Testimony in Opposition

HB 1963, Relating to Health Care

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the healthcare continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, assisted living facilities and durable medical equipment suppliers. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 30,000 people statewide.

Thank you for the opportunity to submit our comments in **opposition** to this measure as written. Specifically, we would urge the committee to maintain the CON requirement for hospice homes and other hospice facilities, as it is critical to patient safety and consumer protection.

The certificate of need (CON) process in Hawaii works efficiently and serves as a critical tool to keep down healthcare costs and protect patients in the state. There are real benefits to the CON process: first, the process inhibits the unfettered growth of expensive services that cannot realistically be supported in smaller communities; and second, by ensuring that dubious and bad actors are not able to gain a foothold among vulnerable populations as can happen in other states.

The CON process works efficiently in Hawaii—while opponents of the CON may paint the process as cumbersome, our members' experiences are the opposite. Further, the findings of this measure allege that the CON process increases costs and reduces quality, which is simply not true in the case of Hawaii. We have one of the lowest spends per beneficiary in the state for the Medicare and Medicaid programs, yet we consistently rank as one of the top—if not *the* top—state in terms of health and quality of care in several studies and reports.

We appreciate the continued focus of the legislature on ensuring that healthcare remains affordable and of high quality. Repealing the CON laws will not help our state maintain those goals, and we would request deferral of this measure.



February 5, 2024

Dear Chair Rep. Della Au Belatti, Vice-Chair Rep. Jenna Takenouchi and members of the House Committee on Health & Homelessness.

This testimony is in strong opposition to HB1963 to remove a certificate of need (CON) requirement.

In my role as Executive Director of Kōkua Mau, a statewide coalition to improve care, we support strong hospice programs that provide quality care to those at the end of life. Across the country, I hear from colleagues that CON is a vital step to keep hospice quality high, especially for small non-profits. Other states that have no CON or have eliminated CON are confronted with a flood of agencies that are looking at profits and not at patient and family support and quality. This is an alarming trend across the country.

A recent article in the American Journal of Hospice and Palliative Medicine finds a correlation between CON and quality, especially for small hospices. https://hospicenews.com/2023/06/27/certificate-of-need-laws-may-influence-hospice-quality-outcomes/

I just returned from a national meeting on hospice organizations last week in Austin Texas and this was an important topic. Across the board among the 20 states represented, CON was seen as a crucial procedure but unfortunately there is a nationwide effort to remove CON even when its value has been shown.

Kōkua Mau is a statewide coalition that has worked since 1999 to improve care for those with serious illness. We work to help those who may be facing serious illness and their loved ones understand decisions they may need to make and to understand different care options. As such we encourage early completion of Advance Directives (availabe in 11 languages for free on our website) as well as information on POLST, palliative care, hospice care and grief and bereavement.

Mahalo nui loa

Jeannette Koijane, MPH

Executive Director

Kōkua Mau, A Movement to Improve Care

jkojjane@kokuamau.org



1050 Bishop St. #508 Honolulu, HI 96813 808-864-1776 info@grassrootinstitute.org

Removing barriers to Hawaii's prosperity

Feb. 7, 2024, 9:45 a.m.

Hawaii State Capitol

Conference Room 329 and Videoconference

To: House Committee on Health & Homelessness Rep. Della Au Belatti, Chair Rep. Jenna Takenouchi, Vice-Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

TESTIMONY IN <u>SUPPORT</u> OF HB1963 — RELATING TO HEALTH CARE

Aloha Chair Belatti, Vice-Chair Takenouchi and Committee Members,

The Grassroot Institute of Hawaii would like to offer its support for HB1963, which would expand the exemptions from the state's certificate-of-need requirements to include psychiatric facilities, substance abuse facilities, dialysis centers and hospice homes and facilities.

It would also increase the CON exemption for bed changes from 10% to 30% of a facility's existing licensed beds in a two-year period.

If enacted, this bill would comprise an important step forward in increasing healthcare affordability and accessibility in Hawaii. Recent studies suggest that CON laws have the counterproductive effect of limiting healthcare quality and access, especially for rural areas and vulnerable populations.

Consider that:

States with certificate-of-need laws have fewer hospitals, substance treatment facilities, psychiatric
hospitals, ambulatory surgical centers, dialysis clinics, nursing home beds, open heart surgery programs
and hospice care facilities.¹

¹ Mitchell, Matthew D. <u>"West Virginia's Certificate of Need Program: Lessons from Research,"</u> Mercatus Center at George Mason University, Sept. 22, 2021.

- CON regulations tend to lead to fewer hospital beds, decreased access to medical imaging technology and longer wait times.²
- CON regulations are linked to fewer rural hospitals and alternatives. Residents of CON states have to travel farther for care and are more likely to leave their states for care.³

Defenders of CON laws claim that they are needed to constrain high healthcare costs and guarantee access to higher-quality care. However, that is not supported by the research, which demonstrates that such laws are associated with higher per-person healthcare costs and higher death rates from treatable complications following surgery.⁴

According to a 2020 <u>study</u> from the Mercatus Center, Hawaii has the highest number of certificate-of-need restrictions in the country. The result of those restrictions is to make healthcare more expensive, limit access to care and lower the overall quality of care.

By comparing costs and outcomes in states with restrictive certificate-of-need laws to those without, the Mercatus Center determined that CON laws increase annual per capita healthcare spending in Hawaii by \$219 and reduce the number of healthcare facilities in the state by about 14.⁶

The Center also estimates that without certificate-of-need laws, deaths from post-surgery complications would decrease by about 5% and the proportion of patients who would rate their hospital highly (at least 9 out of 10) would increase by 4.7%.⁷

By imposing limitations on the construction of healthcare facilities, certificates of need have the effect of limiting treatment options for Hawaii residents. The lack of alternatives and options has an effect on everything from care for the homeless to mental health.

Since 2006, Hawaii officials have denied⁸ more than two dozen certificate-of-need petitions, representing over \$200 million in private healthcare investment. Those included three medical facilities that would have added 206 beds, increasing the current hospital capacity by 8%.

² Ibid.

³ <u>Ibid</u>.

⁴ Ibid

⁵ "Hawaii Certificate-of-Need Programs 2020," Mercatus Center, March 22, 2021.

⁶ "Certificate of Need Laws: Hawaii State Profile," Mercatus Center, November 2020. Available at https://www.mercatus.org/publication/hawaii-and-certificate-need-programs-2020.

⁷ Ibid.

⁸ "Certificate of Need Applications and Decisions," Hawaii State Department of Health.

The thinking behind certificate-of-need laws has long since been abandoned, and CON reform has been a growing trend in healthcare policy. More than a dozen states have fully repealed their CON programs, and even more have been rolling them back.

It is time that Hawaii joins those states by easing its own CON restrictions. Exempting more facilities and bed change from the CON rules would go a long way toward improving healthcare in Hawaii.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii



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COMMITTEE ON HEALTH & HOMELESSNESS

Representative Della Au Belatti, Chair Representative Jenna Takenouchi, Vice Chair

RE: **TESTIMONY IN OPPOSITION OF HB1963**

> RELATING TO HEALTH CARE – Expands the facilities or services that are exempt from Certificate of Need requirements

Hearing: Wednesday, February 7, 2024

Dear Chair Au Belatti, Vice Chair Takenouchi and Members of the Committee:

Thank you for the opportunity to provide testimony opposing HB1963, which eliminates the Certificate of Need (CON) requirement for hospice homes and other hospice facilities.

The intent of the CON is to promote community planning, coordination, and efficiency in healthcare delivery by controlling the healthcare costs, preventing unnecessary duplication of services, and maintaining quality care standards.

Hawaii Care Choices and existing hospices programs are meeting and/or exceeding the needs of end-of-life care for the people of Hawaii. If HB1963 is passed, hospice organizations will have open access to expand their business opportunities and wealth. Large multi-state hospice organizations are looking for the next area to expand their business portfolios, thus creating competition for the market share of limited staffing professionals and service population. Hawaii would be inundated with new start up hospices with a narrow vision, lack of regulatory expertise and resources necessary to operate, impacting the quality of care for patients and their families in a time of need.

Hawai'i Care Choices is a nonprofit, tax-exempt charitable organization, which exists to provide a continuum of quality and specialized care for seniors or for patients facing a serious and/or life-limiting illness, and their loved ones who care for them. In addition, our organization is committed to providing the community-at-large with bereavement support and grief counseling.

We respectfully request that hospice homes and other hospice facilities be removed from HB1963 – exemptions from certificate of need.

Sincerely.

Brenda S. Ho, MS, RN Chief Executive Officer







February 7, 2024

The Hon. Della Au Belatti, Chair, House Committee on Health & Homelessness The Hon. Jenna Takenouchi, Chair, House Committee on Health & Homelessness Members of the Committee

Re: HB 1963, Relating to Healthcare

Mahalo for the opportunity to **comment** on HB 1963, Relating to Healthcare. This bill would expand the types of facilities or services that are exempt from certificate of need requirements. We respectfully ask that you **amend this bill to omit renal care facilities from the list of exempt facilities.**

Due to the very diverse needs of rural as compared to Hawaii's urban communities and remote versus accessible locations we believe that the Certificate of Need process is essential to ensuring appropriate and adequate establishment of facilities when and where needed. Maintaining the Certificate of Need requirements would ensure the continuation of a process which, while not perfect, reliably serves the state and the needs of all residents.

U.S. Renal Care serves more 2,000 patients on four islands in Hawaii and more than 26,000 patients across 32 states in more than 400 facilities providing in-center and home dialysis. Our mission is to change the lives of people living with kidney disease. We spend each and every day dedicated to promoting awareness about kidney health.

The Maui wildfires underscored the importance of having adequate healthcare services across islands and in different regions so that the healthcare service providers can address and prevent gaps in service. We were able to serve patients who would have otherwise had to seek care off island following the disaster and it is only because of the Certificate of Need process that we have been able to optimally serve Hawaii communities. The Certificate of Need process is designed to and does strike a balance, ensuring service-provider competition to promote quality care on the one hand and ensuring that there is adequate need and justification so that healthcare operations are viable and sustainable on the other.

Please amend this measure if it moves forward.

TO: Hawaii State House Committee on Health & Homelessness

FROM: Marilyn A. Matsunaga, MBA

Former State Administrator, State Health Planning & Development Agency

DATE: Wednesday, February 7, 2024 at 9:45 am

Conference Room 329 & Videoconference

Hawaii State Capitol

RE: **HB1963 RELATING TO HEALTH CARE**

Chair Belatti, Vice Chair Takenouchi, and Members of the House Committee on Health & Homelessness. My name is Marilyn A. Matsunaga and I served the people of Hawaii as their State Administrator of the State Health Planning & Development Agency (SHPDA) which administers the Certificate of Need (CON) Program from 1995 to 2003, the term limit per the Hawaii Revised Statutes.

Thank you for this opportunity to testify in **STRONGEST OPPOSITION** to this bill which seeks to weaken Hawaii's vital Certificate of Need program.

Hawaii's SHPDA and its Certificate of Need program were founded during Governor Ariyoshi's service as Hawaii's Governor. Gov. Ariyoshi held up planning and community involvement in planning as key functions of government.

Healthcare services are akin to a public utility and Hawaii's Certificate of Need program is the only place that provides public review of proposed healthcare facilities and services. Without the Certificate of Need program, there would be no transparency.

Transparency is especially important in provision of services that are for the most fragile of our citizens; those that are need in of hospital care, those at the end of life, those struggling with behavioral health and substance issues, and those who depend on life saving treatment. It is disheartening that this bill seeks to take away from these patients the protections and transparency that the Certificate of Need program provides the community via its review and monitoring functions.

The Certificate of Need program ensures that healthcare proposals comply with licensure and certification requirements and have a past record of sound compliance; are accessible to all residents in particular underserved groups and minorities including our kupuna and Native Hawaiians; will be reasonable in costs charged to patients and the community; are financially feasible and not just setting up to "cherry pick"; will be in sync with the state's plan for healthcare services and facilities to serve communities; and have the resources needed to actually implement and sustain their proposal. SHPDA also has the function to monitor these facilities and services based on these key components of a provider's competency. Because of its public review and monitoring functions, many believe CON is an effective sentinel that keeps grifters away.

I most respectfully ask you to please defer action on this bill. Thank you.

HB-1963

Submitted on: 2/6/2024 10:11:22 AM

Testimony for HLT on 2/7/2024 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Liam Wilmott	Individual	Support	Written Testimony Only

Comments:

I am in strong support of HB1963

HB-1963

Submitted on: 2/6/2024 8:17:04 AM

Testimony for HLT on 2/7/2024 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Warren Collins	ILWU 142	Support	Written Testimony Only

Comments:

I STRONGLY support this bill.

HB-1963

Submitted on: 2/5/2024 5:20:32 PM

Testimony for HLT on 2/7/2024 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Daniel Fischberg, MD, PhD	Individual	Oppose	Written Testimony Only

Comments:

The certificate of need (CON) process is essential to ensuring high quality hospice care remains available to people in need in Hawaii. Without the CON process, our communities could face the influx of for-profit hospices that are acknowledged by national hospice and palliative care experts as clearly the greatest threat today to high quality hospice in the US. Please keep the CON process in place as it stands so that Hawaii can continue to serve as a model for states looking to ensure access to the highest quality hospice and palliative care.

Thank you for your thoughtful consideration.

FROM THE DESK OF

MICHAEL DUICK, M.D.

February 5, 2024

House Committee on Health and Homelessness Rep. Della Au Belatti, Chair Rep. Jenna Takenouchi, Vice Chair

RE: Testimony in Opposition to HB 1963, Relating to Health Care

Dear Members of the Committee on Health and Homelessness:

I thank you for the opportunity to voice my strong opposition to to HB 1963 as written.

I have spent my professional career practicing in the fields of hospice and palliative medicine on Oahu and Maui. In my experience, the Certificate of Need (CON) process for hospice homes and other hospice facilities has helped our state to be a shining example of providing high-quality, cost-effective care to those with life-limiting illness.

The CON process ensures that providers wanting to operate hospice programs in Hawaii meet extremely important criteria, including quality of the proposed service, prior to starting operations. Removing these CON safeguards for hospice services would have disastrous outcomes. One just needs to look at the hospice experience in California, which has significant state oversight but no CON process. The widespread fraud and quality-of-care deficiencies present there are costing taxpayers millions of dollars and, much worse, harming patients and families at what is often the most vulnerable time in their lives.

Thank you for your focus on keeping our healthcare affordable and of the highest quality. Repealing CON laws for hospice homes and other hospice facilities will not help us maintain those goals.

Sincerely yours,

Michael Duick, M.D.

Board Certified, Hospice & Palliative Medicine