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# A BILL FOR AN ACT

RELATING TO AMENDING SECTION 323D-54, HAWAII REVISED STATUTES,  
TO EXEMPT THE DEPARTMENT OF HEALTH FROM CERTIFICATE OF NEED  
REQUIREMENTS.

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

1           SECTION 1. Section 323D-54, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§323D-54 Exemptions from certificate of need**

4 **requirements.** Nothing in this part or rules with respect to the  
5 requirement for certificates of need applies to:

6           (1) Offices of physicians, dentists, or other  
7 practitioners of the healing arts in private practice  
8 as distinguished from organized ambulatory health care  
9 facilities, except in any case of purchase or  
10 acquisition of equipment attendant to the delivery of  
11 health care service and the instruction or supervision  
12 for any private office or clinic involving a total  
13 expenditure in excess of the expenditure minimum;

14           (2) Laboratories, as defined in section 321-11(12), except  
15 in any case of purchase or acquisition of equipment  
16 attendant to the delivery of health care service and



- 1 the instruction or supervision for any laboratory  
2 involving a total expenditure in excess of the  
3 expenditure minimum;
- 4 (3) Dispensaries and first aid stations located within  
5 business or industrial establishments and maintained  
6 solely for the use of employees; provided [~~such~~] that  
7 those facilities do not regularly provide inpatient or  
8 resident beds for patients or employees on a daily  
9 twenty-four-hour basis;
- 10 (4) Dispensaries or infirmaries in correctional or  
11 educational facilities;
- 12 (5) Dwelling establishments, such as hotels, motels, and  
13 rooming or boarding houses that do not regularly  
14 provide health care facilities or health care  
15 services;
- 16 (6) Any home or institution conducted only for those who,  
17 pursuant to the teachings, faith, or belief of any  
18 group, depend for healing upon prayer or other  
19 spiritual means;
- 20 (7) Dental clinics;



- 1           (8) Nonpatient areas of care facilities such as parking  
2                   garages and administrative offices;
- 3           (9) Bed changes that involve ten per cent or ten beds of  
4                   existing licensed bed types, whichever is less, of a  
5                   facility's total existing licensed beds within a  
6                   two-year period;
- 7           (10) Projects that are wholly dedicated to meeting the  
8                   State's obligations under court orders, including  
9                   consent decrees, that have already determined that  
10                  need for the projects exists;
- 11          (11) Replacement of existing equipment with its modern-day  
12                  equivalent;
- 13          (12) Primary care clinics under the expenditure thresholds  
14                  referenced in section 323D-2;
- 15          (13) Equipment and services related to that equipment, that  
16                  are primarily invented and used for research purposes  
17                  as opposed to usual and customary diagnostic and  
18                  therapeutic care;
- 19          (14) Capital expenditures that are required:



- 1 (A) To eliminate or prevent imminent safety hazards  
2 as defined by federal, state, or county fire,  
3 building, or life safety codes or regulations;
- 4 (B) To comply with state licensure standards;
- 5 (C) To comply with accreditation standards,  
6 compliance with which is required to receive  
7 reimbursements under Title XVIII of the Social  
8 Security Act or payments under a state plan for  
9 medical assistance approved under Title XIX of  
10 ~~such~~ that Act;
- 11 (15) Extended care adult residential care homes and  
12 assisted living facilities; ~~or~~
- 13 (16) Other facilities or services that the agency through  
14 the statewide council chooses to exempt, by rules  
15 pursuant to section 323D-62~~(-)~~;
- 16 (17) Health care facilities operated or services provided  
17 by the department of health;
- 18 (18) Chronic renal dialysis centers; or
- 19 (19) Psychiatric behavioral health services."

20 SECTION 2. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.



1 SECTION 3. This Act shall take effect upon its approval.



**Report Title:**

DOH; SHPDA; Chronic Renal Dialysis Centers; Psychiatric Behavioral Health Services; Certificate of Need; Exemption

**Description:**

Exempts health care facilities operated or services provided by the Department of Health, chronic renal dialysis centers, and psychiatric behavioral health services from the State Health Planning and Development Agency's certificate of need requirements. (SD1)

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

