

Honolulu, Hawaii

APR 04 2025

RE: H.B. No. 1179
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and Ways and Means, to which was referred H.B. No. 1179, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RURAL EMERGENCY HOSPITALS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Create a framework for the licensure of rural emergency hospitals at the state level by the Department of Health; and
- (2) Provide for the continuation of Medicaid policy protections for hospitals transitioning to a rural emergency hospital designation.

Your Committees received testimony in support of this measure from the Department of Health, Healthcare Association of Hawaii, Maui Health System, and two individuals.

Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that rural emergency hospitals are a new category of license that was originally created by Congress to



address the growing crisis of rural hospital closures nationwide. The rural emergency hospital model was designed to provide a lifeline to these critical facilities by allowing existing critical access hospitals and small rural hospitals to convert their operations to a new financial model that would support the continuation of emergency and outpatient services without the financial strain of maintaining inpatient care. Your Committees also find that timely access to emergency medical services, observation care, and outpatient treatment for residents in rural areas is vital for improving health outcomes, especially in these geographically isolated areas. Adopting the rural emergency hospital designation in Hawaii will enable rural hospitals to continue providing critical services and prevent closures to ensure that residents in remote areas receive timely, life-saving care. Accordingly, this measure is a necessary step towards the strengthening of the State's health care system and aligns with national efforts to address rural health disparities, while ensuring that Hawaii's rural communities have access to essential medical services.

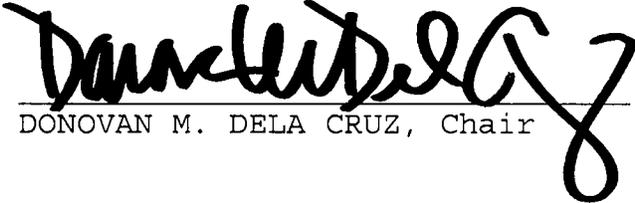
Your Committees have amended this measure by:

- (1) Amending the provision regarding Medicaid reimbursement equity to clarify that reimbursement rates for facilities that convert from a critical access hospital to another facility type after April 1, 2025, may maintain a distinction after the facility's conversion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1179, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1179, H.D. 1, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committees on Commerce and
Consumer Protection and Ways
and Means,



DONOVAN M. DELA CRUZ, Chair



BARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

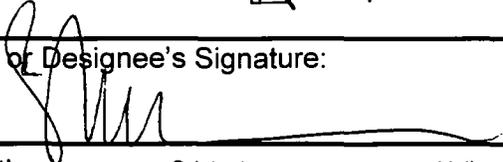
Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* <i>HB 179 HDI SDI</i>	Committee Referral: <i>HHS, CPN/WAM</i>	Date: <i>4/2/25</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
TOTAL	<i>5</i>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> 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 one measure per Record of Votes

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB1179 HD1 SD1	Committee Referral: HHS, CPN / WAM	Date: 4/2/2025		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> 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				

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