



**STATE OF HAWAII**  
**DEPARTMENT OF HEALTH**  
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**Testimony in SUPPORT of SB2271**  
**RELATED TO HOSPITAL LICENSING.**

SENATOR DONOVAN M. DELA CRUZ, CHAIR  
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date and Time: MON, March 2, 2026 @ 10:31 AM

Room Number: 211

- 1 **Fiscal Implications:** No impact to the Department of Health (Department).
- 2 **Department Position:** The Department supports this measure and offers comments and
- 3 proposed amendments.
- 4 **Department Testimony:** The Office of Health Care Assurance (OHCA) provides the following
- 5 testimony on behalf of the Department. OHCA supports this measure which would allow
- 6 hospitals to demonstrate compliance with all licensing inspections required by the State
- 7 through accreditation or certification by any accreditation or certification organization
- 8 approved by the Centers for Medicare and Medicaid Services (CMS).
- 9 **Offered Amendments:**
- 10 Page 2, lines 7-8:
- 11 **SECTION 2. (c)** certification organization ~~recognized~~ **approved** by the Centers for
- 12 Medicare and Medicaid Services demonstrates a hospital's...
- 13 and page 3, lines 9-10:

1       **SECTION 2. (e)** certification organization ~~recognized~~ **approved** by the Centers for  
2       Medicare and Medicaid Services that are used in determining...

3       Thank you for the opportunity to testify on this measure.



**March 2, 2026 at 10:31 am**  
**Conference Room 211**

**Senate Committee on Ways and Means**

To: Chair Donovan M. Dela Cruz  
Vice Chair Sharon Y. Moriwaki

From: Paige Heckathorn Choy  
Vice President, Government Affairs  
Healthcare Association of Hawaii

Re: **Testimony in Support**  
**SB 2271, Relating to Hospital Licensing**

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 testimony in **support** of this measure, which seeks to modernize how hospitals are licensed in Hawaii by allowing facilities to use any accrediting organization recognized by the Centers for Medicare and Medicaid Services (CMS) to meet state licensure standards.

Currently, Hawaii law allows the Department of Health (DOH) to only accept accreditation by The Joint Commission to demonstrate compliance with state licensing inspections. This bill would update Hawaii statute to allow DOH to recognize any accrediting organization approved by the Centers for Medicare and Medicaid Services (CMS) to meet state licensure standards.

As background—hospitals must be licensed and certified by both CMS and the state licensing entity—in this case, the Office of Healthcare Assurance (OHCA), which is housed under DOH. It is very important for hospitals to receive these accreditations and certifications so that they can participate in the Medicaid and Medicare programs. On the federal level, CMS uses accrediting organizations to survey and certify hospitals on their behalf. If a hospital passes a survey by an accrediting organization, they are “deemed” to be in compliance with federal Medicare Conditions of Participation (CoPs) and can participate in the program.

States, including Hawaii, often use a hospital's “deemed status” by CMS as evidence of compliance with state licensing standards. In practice, this means that if a hospital receives

approval by an accrediting organization and thus deemed to meet Medicare CoPs, Hawaii will accept that accreditation in lieu of a separate state inspection. This practice avoids duplicative surveys while still ensuring hospitals meet stringent quality and safety requirements under both federal and state law.

There are only a handful of accrediting organizations that CMS has approved to carry out this task, and they undergo thorough vetting and scrutiny at least every six years to continue this important task. For many decades, the only accrediting organization approved by CMS to certify hospitals was The Joint Commission (TJC). However, there are now several options that hospitals can choose from to achieve certification and participation in crucial federal programs.

Unfortunately, Hawaii state law was written many decades ago and it has not been revised to reflect the broader range of accreditation options that hospitals enjoy today. Updating Hawaii law to recognize any CMS-approved hospital accrediting organization is a common-sense modernization that maintains high standards, strengthens alignment with federal oversight, and uses state resources more effectively while preserving OHCA's ability to respond to complaints and patient safety concerns.

Thank you for your consideration of this important measure.