
A BILL FOR AN ACT

RELATING TO THE STATE HEALTH PLANNING AND DEVELOPMENT AGENCY.

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

1 SECTION 1. Section 323D-2, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 "Health care" means the improvement of a person's health
5 through the prevention, diagnosis, treatment, and amelioration
6 or cure of disease, illness, injury, or other physical and
7 mental impairment, regardless of the setting in which those
8 services are delivered. "Health care" includes oral health,
9 behavioral health, and long-term care."

10 SECTION 2. Section 323D-12, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**§323D-12 Health planning and development functions; state**
13 **agency.** (a) The state agency shall:

14 (1) Have as a principal function the responsibility for
15 promoting [~~accessibility for all the people of the~~
16 ~~State to quality health care services at reasonable~~
17 ~~cost. The state agency shall conduct such studies and~~



1 ~~investigations as may be necessary as to the causes of~~
2 ~~health care costs including inflation. The state~~
3 ~~agency may contract for services to implement this~~
4 ~~paragraph. The certificate of need program mandated~~
5 ~~under part V shall serve this function. The state~~
6 ~~agency shall promote the sharing of facilities or~~
7 ~~services by health care providers whenever possible to~~
8 ~~achieve economies and shall restrict unusual or~~
9 ~~unusually costly services to individual facilities or~~
10 ~~providers where appropriate;~~

11 ~~(2) Serve as staff to and provide technical assistance and~~
12 ~~advice to the statewide council and the subarea~~
13 ~~councils in the preparation, review, and revision of~~
14 ~~the state health services and facilities plan;~~

15 ~~(3) Conduct the health planning activities of the State in~~
16 ~~coordination with the subarea councils, implement the~~
17 ~~state health services and facilities plan, and~~
18 ~~determine the statewide health needs of the State~~
19 ~~after consulting with the statewide council; and]~~
20 universal access to high-quality, equitable, and



1 affordable health care for all the people of the State
2 and a shared vision of the State's health care future;
3 (2) Conduct the health planning activities of the State in
4 collaboration with state agencies and with private
5 health care sector participants to assess and address
6 gaps or concerns affecting access, quality, and cost
7 including but not limited to health insurance coverage
8 and rates; health insurance benefits and
9 affordability; workforce development and
10 reimbursement; administrative simplification; and
11 health information technology, including artificial
12 intelligence;
13 ~~[(4)]~~ (3) Administer the state certificate of need program
14 pursuant to part V[-], and serve as staff, and provide
15 technical assistance and advice, to the statewide
16 council and subarea councils; and
17 (4) Establish a state health services and facilities plan
18 and update that plan at least every four years
19 following consultation with the statewide council.
20 (b) The state agency may:



- 1 (1) Prepare [~~such~~] reports and recommendations on
2 [~~Hawaii's~~] health care costs in the State and public
3 or private efforts to reduce or control costs and
4 health care quality as it deems necessary. The
5 [~~report~~] reports may include [~~, but not be limited to,~~]
6 a review of health insurance plans[~~;~~]; the
7 availability of various kinds of health insurance and
8 malpractice insurance to consumers[~~;~~]; data-supported
9 analysis and evaluation of the status of statewide and
10 county health care services adequacy, accessibility,
11 affordability, efficiency, equity, and quality,
12 including comparisons to national and other state
13 jurisdictions; and strategies for increasing
14 competition in the health insurance field[~~;~~] and
15 across the health care delivery system;
- 16 [~~(2)~~] ~~Prepare and revise as necessary the state health~~
17 ~~services and facilities plan.~~
- 18 [~~(3)~~] ~~Prepare, review, and revise the annual implementation~~
19 ~~plan.~~
- 20 [~~(4)~~] (2) Assist the statewide council in the performance
21 of its functions[~~;~~];



1 [~~5~~] (3) Determine the need for new health services
2 proposed to be offered within the State~~[]~~;

3 [~~6~~] (4) Assess existing health care services and
4 facilities to determine whether there are redundant,
5 excessive, or inappropriate services or facilities and
6 make public findings of any that are found to be so.
7 The state agency shall weigh the costs of the health
8 care services or facilities against the benefits the
9 services or facilities provide and there shall be a
10 negative presumption against marginal services~~[]~~;

11 [~~7~~] (5) Provide technical assistance to persons, public
12 or private, in obtaining and filling out the necessary
13 forms for the development of projects and programs~~[]~~;

14 [~~8~~] (6) Prepare reports, studies, and recommendations on
15 emerging health issues, such as medical ethics, health
16 care rationing, involuntary care, care for the
17 indigent, and standards for research and development
18 of biotechnology ~~[and]~~, genetic engineering~~[]~~,
19 telehealth, artificial intelligence, and workforce
20 development; and



1 [~~(9)~~] (7) Conduct [~~such~~] other activities as are necessary
2 to meet the purposes of this chapter."

3 SECTION 3. Section 323D-54, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§323D-54 Exemptions from certificate of need**
6 **requirements.** Nothing in this part or rules with respect to the
7 requirement for certificates of need applies to:

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

16 (2) Laboratories, as [~~defined in~~] regulated pursuant to
17 section 321-11(12), except in any case of purchase or
18 acquisition of equipment attendant to the delivery of
19 health care service and the instruction or supervision
20 for any laboratory involving a total expenditure in
21 excess of the expenditure minimum;



- 1 (3) Dispensaries and first aid stations located within
2 business or industrial establishments and maintained
3 solely for the use of employees; provided such
4 facilities do not regularly provide inpatient or
5 resident beds for patients or employees on a daily
6 twenty-four-hour basis;
- 7 (4) Dispensaries or infirmaries in correctional or
8 educational facilities;
- 9 (5) Dwelling establishments, such as hotels, motels, and
10 rooming or boarding houses that do not regularly
11 provide health care facilities or health care
12 services;
- 13 (6) Any home or institution conducted only for those who,
14 pursuant to the teachings, faith, or belief of any
15 group, depend for healing upon prayer or other
16 spiritual means;
- 17 (7) Dental clinics;
- 18 (8) Nonpatient areas of care facilities, such as parking
19 garages and administrative offices;
- 20 (9) Bed changes that involve [~~ten~~] up to thirty per cent
21 ~~[or ten beds of existing licensed bed types, whichever~~



- 1 ~~is less,~~] of a facility's total existing licensed beds
2 within a two-year period;
- 3 (10) Projects that are wholly dedicated to meeting the
4 State's obligations under court orders, including
5 consent decrees, that have already determined that
6 need for the projects exists;
- 7 (11) Replacement of existing equipment with its modern-day
8 equivalent;
- 9 (12) Primary care clinics under the expenditure thresholds
10 referenced in section 323D-2;
- 11 (13) Equipment and services related to that equipment, that
12 are primarily invented and used for research purposes
13 as opposed to usual and customary diagnostic and
14 therapeutic care;
- 15 (14) Capital expenditures that are required:
- 16 (A) To eliminate or prevent imminent safety hazards
17 as defined by federal, state, or county fire,
18 building, or life safety codes or regulations;
- 19 (B) To comply with state licensure standards;
- 20 (C) To comply with accreditation standards,
21 compliance with which is required to receive



1 reimbursements under Title XVIII of the Social
2 Security Act or payments under a state plan for
3 medical assistance approved under Title XIX of
4 such Act;

5 (15) Extended care adult residential care homes and
6 assisted living facilities; [~~or~~]

7 (16) Health care facilities or services operated by the
8 department of health; or

9 [~~(16)~~] (17) Other facilities or services that the agency
10 through the statewide council chooses to exempt, by
11 rules pursuant to section 323D-62."

12 SECTION 4. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

DOH; SHPDA; Function and Responsibilities; Certificate of Need Exemption

Description:

Amends the functions and responsibilities of the State Health Planning and Development Agency. Adds a new definition of "health care". Amends the exemption threshold for bed changes to up to thirty per cent of existing licensed bed types. Exempts the Department of Health from certificate of need requirements. Effective 7/1/3000. (HD2)

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