

JAN 21 2026

A BILL FOR AN ACT

RELATING TO CERTIFICATES OF NEED.

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
17 the instruction or supervision for any laboratory



S.B. NO. 2289

1 involving a total expenditure in excess of the
2 expenditure minimum;

3 (3) Dispensaries and first aid stations located within
4 business or industrial establishments and maintained
5 solely for the use of employees; provided [~~such~~] the
6 facilities do not regularly provide inpatient or
7 resident beds for patients or employees on a daily
8 twenty-four-hour basis;

9 (4) Dispensaries or infirmaries in correctional or
10 educational facilities;

11 (5) Dwelling establishments, such as hotels, motels, and
12 rooming or boarding houses that do not regularly
13 provide health care facilities or health care
14 services;

15 (6) Any home or institution conducted only for those who,
16 pursuant to the teachings, faith, or belief of any
17 group, depend for healing upon prayer or other
18 spiritual means;

19 (7) Dental clinics;

20 (8) Nonpatient areas of care facilities such as parking
21 garages and administrative offices;



(9) Bed changes that involve ten per cent or ten beds of existing licensed bed types, whichever is less, of a facility's total existing licensed beds within a two-year period;

(10) Projects that are wholly dedicated to meeting the State's obligations under court orders, including consent decrees, that have already determined that need for the projects exists;

(11) Replacement of existing equipment with its modern-day equivalent;

(12) Primary care clinics [~~under the expenditure thresholds referenced in section 323D-2~~];

(13) Equipment and services related to ~~[that]~~ the equipment, that are primarily invented and used for research purposes as opposed to usual and customary diagnostic and therapeutic care;

(14) Capital expenditures that are required:

(A) To eliminate or prevent imminent safety hazards as defined by federal, state, or county fire, building, or life safety codes or regulations;

(B) To comply with state licensure standards; or



(C) To comply with accreditation standards,
compliance with which is required to receive
reimbursements under Title XVIII of the Social
Security Act or payments under a state plan for
medical assistance approved under Title XIX of
~~[such]~~ the Act;

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

(16) Facilities offering substance abuse treatment programs
that employ health care providers or certified
substance abuse counselors;

(17) Intermediate care facilities for persons having
intellectual disabilities as referenced in section
1905(c) of the Social Security Act, as amended;

(18) Hospital beds dedicated to pediatric and neonatal
intensive care unit patients;

(19) Organized ambulatory health care facilities that
operate as surgical centers;

(20) Home care agencies licensed under section 321-14.8;

(21) Kidney disease treatment centers including
freestanding hemodialysis units;



1 (22) Hospice homes as defined in section 321-15.1;

2 (23) Services offered in neonatal intensive care units of
3 hospitals;

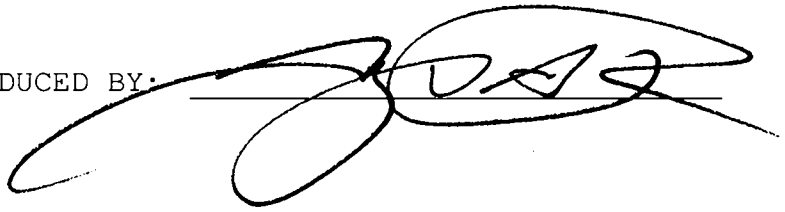
4 (24) Services offered in burn care units of hospitals;

5 (25) Facilities, and services offered at facilities,
6 located in federally designated medically underserved
7 rural areas; and

8 ~~[+16+]~~ (26) Other facilities or services that the agency
9 through the statewide council chooses to exempt, by
10 rules pursuant to section 323D-62."

11 SECTION 2. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

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

14 INTRODUCED BY: 



S.B. NO. 2289

Report Title:

Certificates of Need; Exemptions

Description:

Exempts from the certificate of need requirements certain health care facilities and services that address maternal and pediatric health, serve federally designated medically underserved rural areas, lower patient costs, are unlikely to be overprescribed, and assist certain vulnerable populations.

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

