
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;] universal access to
 11 high-quality, equitable, and affordable health care
 12 for all the people of the State and a shared vision of
 13 the State's health care future;~~

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

18 ~~(3) Conduct the health planning activities of the State in~~
 19 ~~coordination with the subarea councils, implement the~~
 20 ~~state health services and facilities plan, and~~



- 1 ~~determine the statewide health needs of the State~~
2 ~~after consulting with the statewide council; and]~~
- 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 administrative
8 simplification and health information technology
9 including artificial intelligence;
- 10 ~~[(4)]~~ (3) Administer the state certificate of need program
11 pursuant to part V[-], and serve as staff to and
12 provide technical assistance and advice to the
13 statewide council and subarea councils; and
- 14 (4) Establish a state health services and facilities plan
15 and update that plan at least every four years
16 following consultation with the statewide council.
- 17 (b) The state agency may:
- 18 (1) Prepare ~~[such]~~ reports and recommendations on
19 ~~[Hawaii's]~~ the State's health care costs and public or
20 private efforts to reduce or control costs and health
21 care quality as it deems necessary. The ~~[report]~~



1 reports may include~~[, but not be limited to,]~~ a review
2 of health insurance plans~~[,]~~; the availability of
3 various kinds of health insurance and malpractice
4 insurance to consumers~~[,]~~; data-supported analysis and
5 evaluation of the status of statewide and county
6 health care services adequacy, accessibility, quality,
7 equity, efficiency, and affordability, including
8 comparisons to national and other state jurisdictions;
9 and strategies for increasing competition in the
10 health insurance field~~[,]~~ and across the health care
11 delivery system;

12 [~~2~~] ~~Prepare and revise as necessary the state health~~
13 ~~services and facilities plan.~~

14 ~~3~~ Prepare, review, and revise the annual implementation
15 plan.

16 ~~4~~] 2 Assist the statewide council in the performance
17 of its functions~~[,]~~;

18 [~~5~~] 3 Determine the need for new health services
19 proposed to be offered within the State~~[,]~~;

20 [~~6~~] 4 Assess existing health care services and
21 facilities to determine whether there are redundant,



1 excessive, or inappropriate services or facilities and
2 make public findings of any that are found to be so.
3 The state agency shall weigh the costs of the health
4 care services or facilities against the benefits the
5 services or facilities provide and there shall be a
6 negative presumption against marginal services~~[+]~~;

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

10 ~~[+8]~~ (6) Prepare reports, studies, and recommendations on
11 emerging health issues, such as medical ethics, health
12 care rationing, involuntary care, care for the
13 indigent, and standards for research and development
14 of biotechnology ~~[and]~~, genetic engineering, telehealth, artificial intelligence, and workforce
15 development; and

16
17 ~~[+9]~~ (7) Conduct ~~[such]~~ other activities as are necessary
18 to meet the purposes of this chapter."

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



1 **"§323D-54 Exemptions from certificate of need**

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

- 4 (1) Offices of physicians, dentists, or other
5 practitioners of the healing arts in private practice
6 as distinguished from organized ambulatory health care
7 facilities, except in any case of purchase or
8 acquisition of equipment attendant to the delivery of
9 health care service and the instruction or supervision
10 for any private office or clinic involving a total
11 expenditure in excess of the expenditure minimum;
- 12 (2) Laboratories, as defined in section 321-11(12), except
13 in any case of purchase or acquisition of equipment
14 attendant to the delivery of health care service and
15 the instruction or supervision for any laboratory
16 involving a total expenditure in excess of the
17 expenditure minimum;
- 18 (3) Dispensaries and first aid stations located within
19 business or industrial establishments and maintained
20 solely for the use of employees; provided such
21 facilities do not regularly provide inpatient or



- 1 resident beds for patients or employees on a daily
2 twenty-four-hour basis;
- 3 (4) Dispensaries or infirmaries in correctional or
4 educational facilities;
- 5 (5) Dwelling establishments, such as hotels, motels, and
6 rooming or boarding houses that do not regularly
7 provide health care facilities or health care
8 services;
- 9 (6) Any home or institution conducted only for those who,
10 pursuant to the teachings, faith, or belief of any
11 group, depend for healing upon prayer or other
12 spiritual means;
- 13 (7) Dental clinics;
- 14 (8) Nonpatient areas of care facilities such as parking
15 garages and administrative offices;
- 16 (9) Bed changes that involve [~~ten~~] up to thirty per cent
17 [~~or ten beds of existing licensed bed types, whichever~~
18 ~~is less,~~] of a facility's total existing licensed beds
19 within a two-year period;
- 20 (10) Projects that are wholly dedicated to meeting the
21 State's obligations under court orders, including



- 1 consent decrees, that have already determined that
2 need for the projects exists;
- 3 (11) Replacement of existing equipment with its modern-day
4 equivalent;
- 5 (12) Primary care clinics under the expenditure thresholds
6 referenced in section 323D-2;
- 7 (13) Equipment and services related to that equipment, that
8 are primarily invented and used for research purposes
9 as opposed to usual and customary diagnostic and
10 therapeutic care;
- 11 (14) Capital expenditures that are required:
- 12 (A) To eliminate or prevent imminent safety hazards
13 as defined by federal, state, or county fire,
14 building, or life safety codes or regulations;
- 15 (B) To comply with state licensure standards;
- 16 (C) To comply with accreditation standards,
17 compliance with which is required to receive
18 reimbursements under Title XVIII of the Social
19 Security Act or payments under a state plan for
20 medical assistance approved under Title XIX of
21 such Act;



1 (15) Extended care adult residential care homes and
2 assisted living facilities; [~~or~~]
3 (16) Health care facilities or services operated by the
4 department of health; or
5 [~~(16)~~] (17) Other facilities or services that the agency
6 through the statewide council chooses to exempt, by
7 rules pursuant to section 323D-62."

8 SECTION 4. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 5. This Act shall take effect on January 30, 2050.



S.B. NO. 3139
S.D. 1

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" for chapter 323D, HRS. 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 1/30/2050. (SD1)

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