

STAND. COM. REP. NO. 527 -08

Honolulu, Hawaii

Feb 15, 2008

RE: H.B. No. 2859  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 2859  
entitled:

"A BILL FOR AN ACT RELATING TO CERTIFICATE OF NEED,"

begs leave to report as follows:

The purpose of this bill is to streamline the certificate of  
need (CON) process by requiring decisions regarding issuance of a  
CON at only one public hearing and within 30 days, if an applicant  
is required to and has obtained:

- (1) An approved environmental impact statement or a finding  
of no significant impact from the Office of  
Environmental Quality control; and
- (2) All necessary county land use and zoning change permits.

The Department of Health, Liberty Dialysis, Healthcare  
Association of Hawaii, ILWU Local 142, and Hawaii Centers for  
Independent Living opposed this bill.

Your Committee finds that the CON process has been the  
subject of heated debate, especially over the past three years.  
While some health care providers, including small specialty  
services such as providers of dialysis services, may find the CON  
process offers some level of protection by preventing a flood of  
similar services in the market, others find it prevents healthy  
competition. Many different methods have been tried to adjust the

HB2859 HD1 HSCR HLT HMS 2008-2160



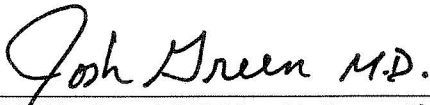
CON process. Your Committee points to H.B. No. 2867, which was introduced to abolish the CON process. Another measure introduced this year sought to provide more decision-making power to the regions where a health care facility or service is proposed to be created. All of these initiatives, while different in approach, share a commonality: trying to ensure that Hawaii's health care safety net remains strong. However, there is still much work that needs to be done before an answer to the CON controversy can be found. Therefore, your Committee finds that this bill should continue through the legislative process to encourage further discussion on this vital matter.

Your Committee has amended this bill by:

- (1) Replacing its contents with provisions that limit the CON process to acute care hospitals and long-term care facilities involving not less than \$150,000,000; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2859, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2859, H.D. 1, and be referred to the Committee on Finance.

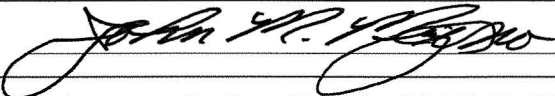
Respectfully submitted on  
behalf of the members of the  
Committee on Health,

  
\_\_\_\_\_  
JOSHUA B. GREEN, M.D., Chair



State of Hawaii  
House of Representatives  
The Twenty-fourth Legislature

Record of Votes of the Committee on Health

Bill/Resolution No.: HB 2859		Committee Referral: HLT, FIN		Date: 2-13-08	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.					
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)					
HLT Members		Ayes	Ayes (WR)	Nays	Excused
1. GREEN, Josh, M.D. (C)		/			
2. MIZUNO, John (VC)		/			
3. AWANA, Karen Leinani		/			
4. BELATTI, Della Au		/			
5. BERTRAM, Joe, III		/			
6. CABANILLA, Rida T.R.		/			
7. RHOADS, Karl		/			
8. SHIMABUKURO, Maile S. L.		/			
9. TOKIOKA, James Kunane		/			
10. WARD, Gene, Ph.D.		/			
TOTAL (10)		10			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: 					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office					