

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

Committees on Health and Human Services & Housing

H.B. 2906, Relating to Certificate of Need

**Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health**

February 13, 2008

1 **Department's Position:** The Department of Health supports the intent but prefers a bill introduced
2 by the Administration, H.B. 3123.

3 **Fiscal Implications:** None

4 **Purpose and Justification:** Due to the shortage of long-term care beds throughout the State of Hawaii
5 and the adverse impact this shortage is having on the health care system in Hawaii, the Department
6 agrees that long-term care beds should be exempt from the Certificate of Need process. The Department
7 appreciates the intent of H.B. 2906 but prefers the Administrative Bill H.B. 3123 that also exempts long-
8 term care beds from Certificate of Need. The Department prefers H.B. 3123 because it streamlines the
9 entire certificate of need process in a more thorough and comprehensive manner.

10 Thank you for the opportunity to provide testimony related to the proposed legislation.



February 13, 2008

To: Chairs Josh Green and Maile Shimabukuro and Members of the
House Committees on Health and Human Services & Housing
From: Bob Ogawa, President
Hawaii Long Term Care Association
Re: H.B. 2906, Relating to Certificate of Need

The Hawaii Long Term Care Association (HLTCA) opposes H.B. 2906.

We understand and thoroughly appreciate the intent and goals behind this measure, to ensure that Hawaii has an adequate long term care infrastructure and to reduce perceived obstacles to achieving that goal. However, there are three points we wish to make:

1. Of all the major facets of the long term care spectrum, only nursing facilities fall under the CON requirement. Type I and II Adult Residential Care Homes (ARCHs), Type I and II Expanded Care ARCHs, community care foster family homes and assisted living facilities all do not.
2. HLTCA's intermediate care/skilled nursing facility members account for nearly 1,800 such beds. Some facilities have been in operation for more than a half-century, some just a few years, one is yet to be built. Whether going through ground-up construction or expansion, no one has ever found the CON process to be a superfluous barrier. Having to show necessity, appropriateness and the ability to provide quality care to our kupuna is something our members have never had a problem with. In fact, they believe it is only proper and prudent.
3. What we need to do, most urgently, is provide incentives (like the tax credits for construction and improvement contained in H.B. 2171) which are *targeted* toward encouraging growth in specific areas, like addressing the very special needs of patients on our hospital waitlists.

For these reasons, while appreciative of its intent, we must respectfully oppose this measure. Thank you.

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HOUSE COMMITTEE ON HEALTH
Rep. Josh Green, M.D., Chair

HOUSE COMMITTEE ON HUMAN SERVICES & HOUSING
Rep. Maile Shimabukuro, Chair

Conference Room 329
February 13, 2008 at 8:00 a.m.

Testimony in opposition to HB 2906.

I am Coral Andrews, Vice President of the Healthcare Association of Hawaii, which represents the entire spectrum of health care, including acute care hospitals, two-thirds of the long term care beds in Hawaii, as well as home care and hospice providers. Thank you for this opportunity to testify in opposition to HB 2906, which exempts adult residential care homes, expanded adult residential care homes, and nursing homes from the certificate of need (CON) process.

CON requires certain health care providers to obtain state approval before offering certain new or expanded services. It is designed to help ensure that new services proposed by health care providers are needed for quality patient care within a particular region or community. CON prevents unnecessary duplication of services by selecting the best proposal among competing applicants who wish to provide a particular health service.

The Healthcare Association recognizes that CON is not perfect, but any changes should be initiated from within SHPDA or the Statewide Health Coordinating Council.

For the foregoing reasons, the Healthcare Association opposes HB 2906.

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