

LATE TESTIMONY

TO: House Committee on Health
The Hon. Joshua B. Green, M.D., Chair
The Hon. John Mizuno, Vice Chair

House Committee on Human Services & Housing
The Hon. Maile S. L. Shimabukuro, Chair
The Hon. Karl Rhoads, Vice Chair

Testimony In Opposition to House Bill 3326
Relating to Health (Certificate of Need)
Submitted by Jane Gibbons, Executive Vice President
February 13, 2008, 8:00 a.m., Conf. Rm. 329

Thank you for this opportunity to submit written testimony before your committees. My name is Jane Gibbons, and I am the Executive Vice President for Liberty Dialysis – Hawaii Region. I am testifying in opposition to House Bill 3326 which will change certain aspects of the Certificate of Need program.

This bill seeks to eliminate two levels of review from the Certificate of Need process, the statewide health coordinating council, established in HRS Section 323D-13, and the certificate of need review panel, established pursuant to HRS Section 323D-42. These levels of review would be replaced by a regional council that would be comprised of members from a particular geographical area designated by the State Health Planning and Development Agency. This would have an adverse effect on the Certificate of Need program for several reasons.

First, the members of both the statewide health coordinating council and the certificate of need review panel are largely comprised of experienced administrators and providers in the health care field who have the qualifications and expertise to, among other things, review an application and make findings as to whether the application meets the criteria for granting a Certificate of Need, including the financial feasibility of the project, the need in the community and in the state for the project and its effect on other providers and the health care delivery system. The statewide health coordinating council and the certificate of need review panel lend objectivity as well as broad-based expertise in the certificate of need review process.

The regional councils would understandably focus on the particular needs of their own geographic area in approving new services and facilities without considering the effect these new projects could have on other existing health care providers who often are forced to work with scarce resources.

The purpose of HRS Chapter 323D is to promote accessibility for all of the people of the State to quality health care services at a reasonable cost. The likelihood that this can be achieved with regional councils is unlikely, and a piecemeal health care system could have a disastrous impact on the statewide health care delivery system.

This bill also seeks to amend HRS Section 323D-43 relating to Certificates of Need, by deleting subsection (b) that states the criteria for the state agency to determine the issuance of a

Certificate of Need. Subsection (b) currently requires that the state agency determine that there is a public need for a facility or service and that the cost of the facility or service will not be unreasonable in light of the benefits it will provide and its impact on health care costs.

The deletion of this subsection as well as the elimination of the two levels of review discussed above will eliminate much of the positive attributes of the Certificate of Need program and render the decision-making for new health care services and facilities into a regional concern only, but with the entire state footing the bill.

On behalf of Liberty Dialysis, I urge you not to pass House Bill 3326 for the reasons stated above. Thank you for the opportunity to testify regarding this bill.



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The Twenty Fourth Legislature, State of Hawaii
Hawaii State House of Representatives
Committee on Health
Committee on Human Services and Housing

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HGEA/AFSCME, Local 152, AFL-CIO
February 13, 2008

H.B. 3326 - RELATING TO HEALTH

The Hawaii Government Employees Association, Local 152, AFL-CIO opposes H.B. 3326. This bill proposes to establish regional councils in place of the subarea councils, the statewide council and the certificate of need review panel in efforts to increase the decision-making power within the regions in the certificate of need process.

Currently, the certificate of need process obtains input and comments from the subarea council, the certificate of need panel and the statewide council. Eliminating these three councils and creating a sole regional council would result in less input and may overlook valuable comments that would have otherwise been submitted from the three councils. Reducing the amount of input may have an adverse impact on the decisions reached regarding the availability of health care services in the community.

For the reasons stated above, we respectfully request your committee hold this bill. Thank you for the opportunity to submit our testimony in opposition to H.B. 3326.

Respectfully Submitted,

Nora A. Nomura
Deputy Executive Director

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Testimony in FAVOR of HB 3326

To House Health Committee Members

I urge you to pass HB 3326 out of the Health Committee with a recommendation of Passage.

There is a looming health care crisis in Hawaii, and particularly on Maui, with serious implications for the neighbor islands that are experiencing limited services and resources. This bill will regionalize the Certificate of Need process allowing decisions to be made in the communities that will be affected. This is a reasonable and responsible step toward improving and enhancing health care for all the state.

Thank you in advance for your support,

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