

Honolulu, Hawaii

FEB 04 , 2020

RE: H.B. No. 2502
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 2502 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to maintain the quality of health care for patients in rural areas of Hawaii by requiring the State Health Planning and Development Agency to grant existing hospitals and dialysis facilities in rural subareas the right of first refusal to internally expand their facilities to address the needs of their communities prior to the issuance of a certificate of need to an applicant seeking to open a new hospital or dialysis facility in the same rural subarea.

Your Committee received testimony in support of this measure from Hawaii Teamsters & Allied Workers Union Local 996 and Liberty Dialysis-Hawaii. Your Committee received testimony in opposition to this measure from Kaiser Permanente Hawaii. Your Committee received comments on this measure from the Department of Health, State Health Planning and Development Agency, The Queen's Health Systems, and Hawaii Primary Care Association.

Your Committee recognizes that a health care workforce shortage exists, especially in certain areas of the State, and notes that there are no dialysis facilities in the Puna area of



the island of Hawaii. Furthermore, your Committee respectfully encourages the Representative of the Fourth District to work with dialysis service providers to determine the feasibility of offering home care dialysis, particularly in rural communities.


Your Committee has amended this measure by:

- (1) Removing language that would have required the State Health Planning and Development Agency to:
 - (A) Offer existing hospitals or dialysis facilities in a rural subarea a right of first refusal before issuing a certificate of need to an applicant seeking to open a new hospital or dialysis facility in that same subarea; and
 - (B) Include in its certificate of need review for a new hospital or dialysis facility in a rural subarea a determination of public need and reasonableness of cost;
- (2) Requiring the State Health Planning and Development Agency to consider the relationship to the existing health care system of an area, including workforce availability, as part of its certificate of need review;
- (3) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of 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. 2502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2502, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



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



JOHN M. MIZUNO, Chair



