STAND. COM. REP. NO. 280

Honolulu, Hawaii

## FEB 1 7 2021

RE: S.B. No. 1231 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 1231 entitled:

"A BILL FOR AN ACT RELATING TO STATEWIDE HEALTH PLANNING,"

begs leave to report as follows:

The purpose and intent of this measure is to provide flexibility to deploy statewide health planning and resource development programs and resources.

Your Committee received testimony in support of this measure from the Department of Health. Your Committee received testimony in opposition to this measure from the State Health Planning and Development Agency, Hawai'i Pacific Health, Kapi'olani Medical Center for Women & Children, Wilcox Medical Center, Navian Hawaii, Democratic Party of Hawai'i, Hawaii Government Employees Association, Hospice Maui, and nine individuals. Your Committee received comments on this measure from Healthcare Association of Hawaii; The Queen's Health Systems; Hawai'i Primary Care Association; Hawaii Medical Services Association; North Hawaii Hospice, Inc.; and two individuals.

Your Committee finds that the Governor's executive biennium budget proposes downsizing the State Health Planning and Development Agency (SHPDA) and transferring its role of administering the Certificate of Need (CON) program to the Department of Health. Your Committee further finds that the CON



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program is a vital regulatory component for ensuring accessibility to healthcare in Hawaii as well as the long-term financial viability of the healthcare delivery system. This measure makes the duties of SHPDA optional instead of mandatory.

Your Committee heard significant opposition and comment to this measure from various stakeholders in the healthcare community, whose chief concern is the continued operation of the CON program. Your Committee finds that the goals of the Governor's biennium budget may be accomplished by transferring the responsibilities of SHPDA directly to the Department of Health. Furthermore, your Committee finds that excess moneys from the state health planning and development special fund, which SHPDA uses to offset its program expenses, should be returned to the State's general fund.

Therefore, your Committee has amended this measure by:

- (1) Making SHPDA's duties mandatory instead of optional;
- (2) Amending the measure to make the Department of Health alternatively responsible for SHPDA's duties and responsibilities, which repeals after five years;
- (3) Adding a provision that requires any moneys in excess of \$2,000,000 remaining in the state health planning and development special fund at the close of each fiscal year to lapse into the general fund; and
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion.

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 S.B. No. 1231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1231, S.D. 1, and be referred to your Committee on Ways and Means.

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

JARRETT KEOHOKALOLE, Chair



## The Senate Thirty-First Legislature State of Hawaiʻi

## Record of Votes Committee on Health HTH

Bill / Resolution No.:*	Committee Referral:			Date:	
SB 1231	HTH, WAM			2-8-2021	
The Committee is reconsidering its previous decision on this measure.					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WF	R) Nay	Excused
KEOHOKALOLE, Jarrett (C)					
BAKER, Rosalyn (VC)					
MORIWAKI, Sharon Y.					
SAN BUENAVENTURA, Joy A	۱.				
FEVELLA, Kurt		V			
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TOTAL		5			
Recommendation:					
Chair's or Designee's Signature:					
Rosaly H Brken					
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\*Only one measure per Record of Votes