

STAND. COM. REP. NO. 2449

Honolulu, Hawaii

FEB 15 2024

RE: S.B. No. 2123
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Health and Human Services and Commerce and Consumer Protection, to which was referred S.B. No. 2123 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

beg leave to report as follows:

The purpose and intent of this measure is to repeal the Certificate of Need Program.

Your Committees received testimony in support of this measure from Grassroot Institute of Hawaii and one individual.

Your Committees received testimony in opposition to this measure from the State Health Planning and Development Agency; Hawai'i Primary Care Association; Healthcare Association of Hawaii; Kaua'i Hospice, Inc.; Hawai'i Pacific Health; Kōkua Mau, A Movement to Improve Care; Hawaii Federation of Republican Women; Hawai'i Care Choices; and four individuals.

Your Committees received comments on this measure from UNITE HERE! Local 5 and U.S. Renal Care.

Your Committees find that the Certificate of Need Program is a critical tool to lower health care costs and protect patients in the State. However, at times, the Certificate of Need Program has inhibited equitable access to health care, including in rural areas and vulnerable populations. Limited options may lower the



quality and accessibility to health care for many residents, leaving certain conditions untreated or without a high level of care. This measure repeals the Certificate of Need Program to improve the quality of and access to health care in the State.

Notwithstanding, your Committees note the concerns raised by the Healthcare Association of Hawaii regarding the complete repeal of the Certificate of Need Program. Presently, the Certificate of Need Program provides greater accessibility to expensive services that cannot realistically be supported in smaller communities and prevents exploitation of vulnerable populations. Additionally, the Certificate of Need Program facilitates transparency, accountability, and the opportunity for dialogue between providers seeking to expand services in the health care marketplace through independent agency review. As the Certificate of Need Program provides valuable services across the State, including rural areas and to vulnerable populations, retaining the Certificate of Need Program while providing for certain exemptions can promote efficiency and accessibility to high quality services within the health care system.

Accordingly, your Committees have amended this measure by:

- (1) Deleting its contents and inserting contents that exempt psychiatric services and chronic renal dialysis services from certificate of need requirements;
- (2) Amending section 1 to reflect its amended purpose; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2123, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2123, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services and Commerce and
Consumer Protection,



JARRETT KEOHOKALOLE, Chair


JOY A. SAN BUENAVENTURA, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB2123	Committee Referral: HHS/CPN, JDC/WAM	Date: 2/7/24		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.				✓
RICHARDS, III, Herbert M. "Tim"				✓
AWA, Brenton			✓	
TOTAL	2		1	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes