HOUSE OF REPRESENTATIVES THIRTY-THIRD LEGISLATURE, 2025 STATE OF HAWAII H.B. NO. ⁷⁹⁹ H.D. 2 S.D. 2 C.D. 1

A BILL FOR AN ACT

RELATING TO HEALTH CARE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii continues to 2 face a significant health care provider shortage, especially in rural areas and on the neighbor islands. In the past decade, 3 4 workforce demands have continued to climb as the State struggles to meet the demand for physicians. This demand is particularly 5 acute when it comes to the need for medical specialists on the 6 7 neighbor islands. The federal government has designated the 8 neighbor islands as medically underserved areas, and many 9 residents are forced to fly to the island of Oahu to obtain 10 appropriate health care.

11 The legislature recognizes that while there is a need for 12 health care providers on all islands, the level of demand in 13 rural areas and neighbor island communities may sometimes 14 challenge a provider's ability to establish and sustain 15 full-time practices. Due to the shortage of full-time 16 specialists on the neighbor islands, some Oahu-based providers 17 schedule rotations to the neighbor islands to coordinate care,

2025-3319 HB799 CD1 HMSO

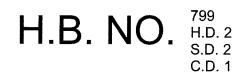
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1 address gaps in needed services, and reduce the need for 2 neighbor island residents to travel to receive care. 3 The legislature also recognizes that the impacts of the 4 2023 wildfires on the island of Maui deeply exacerbated the 5 island's physician shortage. Many medical practices were forced 6 to relocate or close, and medical facilities were damaged. 7 These closures place added stress on Maui's health care system 8 and on the State's health care system as a whole. A recent 9 physician workforce report speculated that the physician 10 shortage on the island of Maui is likely worse than the State's 11 latest estimate. The legislature understands that it is 12 critical to maintain a robust and integrated health care system 13 across the State that allows ease of access for all residents. 14 The legislature believes that organized ambulatory health 15 care facilities are one way to ensure access to care for 16 residents in rural areas, neighbor islands, and communities in 17 the State that are still rebuilding. These facilities allow 18 providers from other areas, and across multiple specialties, to 19 provide health care services to medically underserved residents. 20 Accordingly, the purpose of this Act is to support the 21 provision of care by reducing the administrative burden for



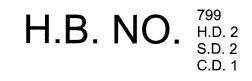
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1	organized ambulatory health care facilities located in counties
2	with populations of less than five hundred thousand.
3	SECTION 2. Chapter 323, Hawaii Revised Statutes, is
4	amended by adding a new section to part I to be appropriately
5	designated and to read as follows:
6	" <u>\$323-</u> Organized ambulatory health care facilities.
7	(a) A physician practicing at an organized ambulatory health
8	care facility shall not be required to have hospital privileges
9	at a licensed hospital in the same geographical location as the
10	organized ambulatory health care facility.
11	(b) This section shall apply to counties with populations
12	of less than five hundred thousand.
13	(c) For purposes of this section, "organized ambulatory
14	health care facility" has the same meaning as defined in section
15	<u>323D-2.</u> "
16	SECTION 3. (a) The department of health shall conduct an
17	evaluation of the benefits and impacts of section 323- $$,
18	Hawaii Revised Statutes, established by section 2 of this Act,
19	on local health care systems, surgical access, and financial
20	stability. The evaluation shall include but not be limited to
21	assessing access to health care, quality of care, and costs.

2025-3319 HB799 CD1 HMSO

3



The department shall submit a report of its findings and
 recommendations, including any proposed legislation, to the
 legislature no later than twenty days prior to the convening of
 the regular session of 2027.

(b) All health care providers, health care systems, and
providers of health care insurance shall comply with the
department's request for relevant data pursuant to this section.
SECTION 4. This Act does not affect rights and duties that
matured, penalties that were incurred, and proceedings that were
begun before its effective date.

11 SECTION 5. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2025, andshall be repealed on June 30, 2028.





Report Title:

DOH; Health Care; Organized Ambulatory Health Care Facility; Physicians; Report

Description:

Clarifies that a physician may practice at an organized ambulatory health care facility even if the physician does not have hospital privileges at a licensed hospital in the same geographic location as the ambulatory facility. Applies to counties with populations of less than five hundred thousand. Requires the Department of Health to report to the Legislature. Sunsets 6/30/2028. (CD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

