

STAND. COM. REP. NO.

670

Honolulu, Hawaii

FEB 14 , 2025

RE: H.B. No. 1179
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1179, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RURAL EMERGENCY HOSPITALS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Provide a statutory framework for the licensure of rural emergency hospitals at the state level; and
- (2) Provide for the continuation of Medicaid policy protections for hospitals transitioning to a rural emergency hospital designation.

Your Committee received testimony in support of this measure from the Department of Health; Hawaii Health Systems Corporation Corporate Board of Directors; Healthcare Association of Hawaii; and Maui Health System. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that there is a growing crisis of rural hospital closures nationwide. Since 2010, over one hundred fifty rural hospitals have closed, drastically reducing access to essential health care services for communities in need.

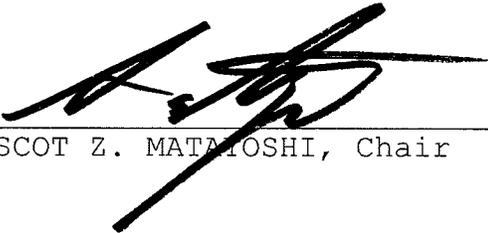
2025-1856 HB1179 HD1 HSCR HMSO



Your Committee further finds that to address this crisis, Congress created the Rural Emergency Hospital designation in section 125 of the Consolidated Appropriations Act of 2021. The Rural Emergency Hospital designation was designed to provide a lifeline to these critical facilities by allowing existing Critical Access Hospitals and small rural hospitals to convert their operations to this new financial model, which seeks to support the continuation of emergency and outpatient services without the financial strain of maintaining inpatient care. To fully take advantage of this new designation, state law is necessary to license the facilities at the state level. This measure allows these facilities to shift to a model of health care that will allow them to stay financially viable.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1179, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



SCOT Z. MATMOSHI, Chair



