

Honolulu, Hawaii

MAR 21 2025

RE: H.B. No. 799
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred H.B. No. 799, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH CARE,"

begs leave to report as follows:

The purpose and intent of this measure is to, for counties with populations of less than five hundred thousand:

- (1) Clarify 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; and
- (2) Provide that a written transfer agreement is not required to transfer a patient from an organized ambulatory health care facility to a licensed hospital.

Your Committee received testimony in support of this measure from the State Health Planning and Development Agency, Department of Health, Hawaii Medical Service Association, Aloha Surgical Center, Hawaii Medical Association, Community First Hawaii, and one individual.



Your Committee received testimony in opposition to this measure from the Maui Health System.

Your Committee received comments on this measure from the Hawaii Employer-Union Health Benefits Trust Fund and Hawaii Association of Health Plans.

Your Committee finds that the State continues to face a significant health care provider shortage, especially in rural areas and on the neighbor islands. Your Committee further finds that, while there is a need for health care providers on all islands, the level of demand in rural areas and neighbor island communities may sometimes challenge a provider's ability to establish and sustain full-time practices. Your Committee notes that because of the State's unique geography, the conditions needed to secure hospital privileges are nearly impossible to fulfill for providers who do not reside on the island where care is needed. By allowing a physician to practice at an organized ambulatory health care facility even if the physician does not have hospital privileges, this measure removes administrative barriers for physicians to improve interisland health care access.

Your Committee notes the concerns raised in testimony by the Department of Health that health care policy must be data-driven, and while the benefits of this measure may be intuitive, it is essential to measure the effects of superseding the provisions in the Hawaii Administrative Rules, as proposed in this measure. Your Committee recognizes the need to examine all reasonable efforts to improve access to health care, while maintaining or improving safety and quality. Therefore, your Committee believes amendments to this measure are necessary to require a data-driven report on its impacts and to insert a sunset date that may be removed if the report supports making the contents of this measure permanent.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language to require the Department of Health to:
 - (A) Conduct an evaluation of the benefits and impacts of allowing physicians to practice at organized ambulatory health care facilities without hospital

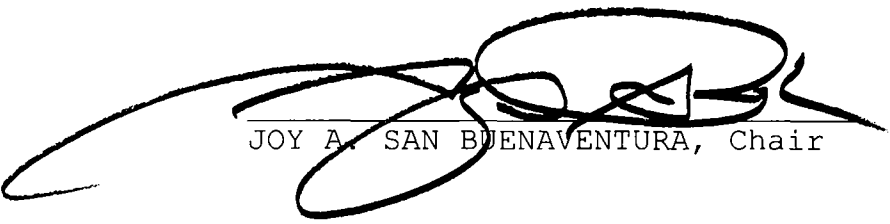


privileges as proposed in this measure, for a duration of at least twelve months after enactment; and

- (B) Submit a report of its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2027;
- (2) Inserting a sunset date of June 30, 2030; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 799, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 799, H.D. 2, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Health and Human
Services,



JOY A. SAN BUENAVENTURA, Chair



