

A Bill for an Act Relating to Penalties for Unlicensed Care Homes.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that the department of health has conducted investigations on two hundred twenty-one alleged unlicensed care homes during the past forty-eight months and has closed eleven homes and assessed \$2,489,800 in administrative penalties. Investigations on eighty-nine unlicensed homes are underway or pending. Meanwhile, unlicensed care homes continue to operate and pose a danger to the public and frail, elderly, and vulnerable populations.

The legislature further finds that under existing law, there are two provisions that assess administrative penalties that can be imposed on care home operators. Under section 321-486.3, Hawaii Revised Statutes, the fine for each day of uncertified or unlicensed operation of a care home is only \$100 for the first violation, up to a maximum of \$1,000 for subsequent violations. The legislature notes that unlicensed care homes charge as much as \$8,000 per month per client for multiple clients. A penalty under section 321-20(1), Hawaii Revised Statutes, of up to \$1,000 per day regardless of the number of prior violations would be a better remedial penalty to prevent operators from financially benefiting from operating a care home without a certificate or license.

SECTION 2. Section 321-486.3, Hawaii Revised Statutes, is repealed.

SECTION 3. Statutory material to be repealed is bracketed and stricken.¹

SECTION 4. This Act shall take effect upon its approval.

(Approved July 7, 2023.)

Note

1. Edited pursuant to HRS §23G-16.5.