

Honolulu, Hawaii

March 2, 2007

RE: H.B. No. 1067
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1067, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CERTIFICATES OF NEED,"

begs leave to report as follows:

The purpose of this bill is to overhaul and streamline the certificate of need (CON) process for health care-related facilities. Specifically, this bill, among other things:

- (1) Redefines and narrows the scope of CON requirements so that they are only required for:
 - (A) Emergency rooms;
 - (B) Freestanding emergency care facilities; and
 - (C) Surface ambulance services;
- (2) Reverses the order in which the Statewide Health Coordinating Council (Statewide Council) and the individual Subarea Health Planning Council (Subarea Council) hear a CON application to provide the Subarea Council more input closer to the final stage of the CON process;
- (3) Eliminates the CON Review Panel to streamline the CON process;



- (4) Requires the State Health Planning and Development Agency (SHPDA) to give greater weight to the Subarea Council's recommendations when the Statewide Council's and Subarea Council's recommendations conflict, unless good cause is provided to reject the Subarea Council's recommendations;
- (5) Requires that a hearing on a CON applicant's request for reconsideration shall be held on the island where the new facility is to be built or the service is to be rendered; and
- (6) Establishes a temporary blue ribbon panel to conduct a comprehensive study to examine the CON process in other states and submit a report containing its recommendations regarding certain topics relating to the CON process.

The Governor's Policy Office, Department of Health, Mayor of Maui County, People United to Support a Second Hospital, and numerous concerned individuals supported this bill. Healthcare Association of Hawaii, Hawaii Government Employees Association, ILWU Local 142, and several concerned individuals opposed this bill. Liberty Dialysis-Hawaii submitted comments.

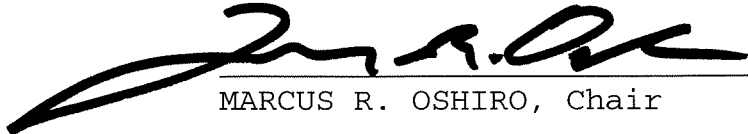
Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2009; provided that the provisions relating to the temporary blue ribbon panel take effect upon the bill's approval; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1067, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1067, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



