
A BILL FOR AN ACT

RELATING TO CERTIFICATE OF NEED.

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

1 SECTION 1. Section 323D-54, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§323D-54 Exemptions from certificate of need**

4 **requirements.** Nothing in this part or rules with respect to the
5 requirement for certificates of need applies to:

6 (1) Offices of physicians, dentists, or other
7 practitioners of the healing arts in private practice
8 as distinguished from organized ambulatory health care
9 facilities, except in any case of purchase or
10 acquisition of equipment attendant to the delivery of
11 health care service and the instruction or supervision
12 for any private office or clinic involving a total
13 expenditure in excess of the expenditure minimum;

14 (2) Laboratories, as defined in section 321-11(12), except
15 in any case of purchase or acquisition of equipment
16 attendant to the delivery of health care service and
17 the instruction or supervision for any laboratory



- 1 involving a total expenditure in excess of the
2 expenditure minimum;
- 3 (3) Dispensaries and first aid stations located within
4 business or industrial establishments and maintained
5 solely for the use of employees; provided such
6 facilities do not regularly provide inpatient or
7 resident beds for patients or employees on a daily
8 twenty-four-hour basis;
- 9 (4) Dispensaries or infirmaries in correctional or
10 educational facilities;
- 11 (5) Dwelling establishments, such as hotels, motels, and
12 rooming or boarding houses that do not regularly
13 provide health care facilities or health care
14 services;
- 15 (6) Any home or institution conducted only for those who,
16 pursuant to the teachings, faith, or belief of any
17 group, depend for healing upon prayer or other
18 spiritual means;
- 19 (7) Dental clinics;
- 20 (8) Nonpatient areas of care facilities such as parking
21 garages and administrative offices;



- 1 (9) Bed changes that involve ten per cent or ten beds of
2 existing licensed bed types, whichever is less, of a
3 facility's total existing licensed beds within a two-
4 year period;
- 5 (10) Projects that are wholly dedicated to meeting the
6 State's obligations under court orders, including
7 consent decrees, that have already determined that
8 need for the projects exists;
- 9 (11) Replacement of existing equipment with its modern-day
10 equivalent;
- 11 (12) Primary care clinics under the expenditure thresholds
12 referenced in section 323D-2;
- 13 (13) Equipment and services related to that equipment, that
14 are primarily invented and used for research purposes
15 as opposed to usual and customary diagnostic and
16 therapeutic care;
- 17 (14) Capital expenditures that are required:
- 18 (A) To eliminate or prevent imminent safety hazards
19 as defined by federal, state, or county fire,
20 building, or life safety codes or regulations;
- 21 (B) To comply with state licensure standards; or



1 (C) To comply with accreditation standards,
 2 compliance with which is required to receive
 3 reimbursements under Title XVIII of the Social
 4 Security Act or payments under a state plan for
 5 medical assistance approved under Title XIX of
 6 [~~such~~] that Act;

7 (15) [~~Extended care~~] Expanded adult residential care homes,
 8 both type I and type II, under section 321-15.62, and
 9 assisted living facilities; [~~or~~]

10 (16) Adult residential care homes, both type I and type II,
 11 under section 321-15.6;

12 (17) Nursing homes as defined in section 457B-2 and all
 13 other long-term care facilities at all levels of care;
 14 or

15 [~~(16)~~] (18) Other facilities or services that the agency
 16 through the statewide council chooses to exempt, by
 17 rules pursuant to section 323D-62."

18 SECTION 2. Statutory material to be repealed is bracketed
 19 and stricken. New statutory material is underscored.

20 SECTION 3. This Act shall take effect upon its approval.

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Report Title:

Certificate of Need Exemption; Long-Term Care

Description:

Exempts all long-term care facilities at all levels of care from the certificate of need process under the state health planning and development agency.

