
A BILL FOR AN ACT

RELATING TO HOSPITAL LICENSING.

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

1 SECTION 1. Section 321-14.5, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) The rules may provide that accreditation by the joint
4 commission on accreditation of healthcare organizations
5 demonstrates a hospital's compliance with all licensing
6 inspections required by [~~rules for the year in which the joint~~
7 ~~commission on accreditation of healthcare organizations~~
8 ~~accreditation is issued]~~ the State. The rules may exempt a
9 hospital from a licensing inspection [~~for the year in which a~~
10 ~~joint commission on accreditation of healthcare organizations~~
11 ~~accreditation is issued]~~ on a continuing basis throughout the
12 term of the accreditation under the following conditions:

13 (1) The hospital provides a certified copy of the
14 hospital's official joint commission on accreditation
15 of healthcare organizations accreditation report to
16 the department;

1 (2) The hospital continuously holds full accreditation by
2 the joint commission on accreditation of healthcare
3 organizations; and

4 (3) The hospital holds a current and valid state license."

5 SECTION 2. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 3. This Act shall take effect on July 1, 2012.

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INTRODUCED BY:

Calvin K. Boy

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BY REQUEST

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JAN 23 2012

H.B. NO. 7554

Report Title:

Hospital Licensing

Description:

Permits the Department of Health the option of recognizing full accreditation by the Joint Commission as evidence of hospital compliance with all licensing inspection for the duration of the accreditation.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Health

TITLE: A BILL FOR AN ACT RELATING TO HOSPITAL LICENSING.

PURPOSE: To allow for the recognition of a hospital's national accreditation status to exempt the hospital from a state licensing survey during the duration of its national accreditation.

MEANS: Amend section 321-14.5(c), Hawaii Revised Statutes.

JUSTIFICATION: Current statute allows the Department of Health to recognize the Joint Commission's accreditation of Hawaii hospitals as demonstrating compliance with Hawaii's licensing inspections for the year the accreditation is issued. Hawaii has 29 acute care hospitals statewide, 21 of which are accredited by the Joint Commission.

This bill will allow the department to recognize a hospital's accreditation status throughout the term of the accreditation instead of only for the year it is issued. Hospitals would maintain their state license throughout their accreditation. However, the hospitals would continue to be subject to unannounced inspections by the State and investigation of complaints.

The Joint Commission is an independent, not-for-profit organization which accredits and certifies more than 19,000 health care organizations and programs in the United States. Joint Commission accreditation and certification is recognized nationwide as a symbol of quality that reflects an organization's commitment to meeting certain performance standards. Its mission is to continuously improve health care for the public, in collaboration with other

stakeholders, by evaluating health care organizations and inspiring them to excel in providing safe and effective care of the highest quality and value. The Joint Commission's accreditation survey is generally considered to be more thorough than a state's licensing survey since the Joint Commission's standards are more regularly revised and updated to remain the leading standard of safe, effective, and quality care.

Impact on the public: Hospitals that seek accreditation would continue to meet the rigorous standards established by the Joint Commission. Since most Hawaii hospitals have maintained their accreditation this has a positive impact on the public. Healthcare outcomes remain positive and in line with modern medical standards that are continuously updated.

Impact on the department and other agencies: The Department of Health will maintain its authority to conduct unannounced inspections at any time and to investigate complaints. This provides a continuum of combined effort to ensure compliance with the public's expectations of high quality while avoiding the duplication of an annual state licensing inspection.

GENERAL FUND:

There is no direct negative impact to the current general funding of the State's licensing inspection operations. The indirect positive impact on general funds is that without having to conduct annual licensing inspections on accredited hospitals, the licensing inspection staff will be redeployed to focus more time and attention on other types of health care organizations that are less likely to have obtained national accreditation, such as nursing homes, without requiring additional staff and operating moneys from the general fund.

OTHER FUNDS: The imposition and collection of any future licensing fees would be diminished since a licensing inspection would not be conducted. However, a fee could be collected for issuing a non-inspection license.

PPBS PROGRAM
DESIGNATION: HTH907

OTHER AFFECTED
AGENCIES: DAGS, B&F, DHS, etc.

EFFECTIVE DATE: July 1, 2012.