

STAND. COM. REP. NO. **280**

Honolulu, Hawaii

FEB 17 2021

RE: S.B. No. 1231
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 1231
entitled:

"A BILL FOR AN ACT RELATING TO STATEWIDE HEALTH PLANNING,"

begs leave to report as follows:

The purpose and intent of this measure is to provide
flexibility to deploy statewide health planning and resource
development programs and resources.

Your Committee received testimony in support of this measure
from the Department of Health. Your Committee received testimony
in opposition to this measure from the State Health Planning and
Development Agency, Hawai'i Pacific Health, Kapi'olani Medical
Center for Women & Children, Wilcox Medical Center, Navian Hawaii,
Democratic Party of Hawai'i, Hawaii Government Employees
Association, Hospice Maui, and nine individuals. Your Committee
received comments on this measure from Healthcare Association of
Hawaii; The Queen's Health Systems; Hawai'i Primary Care
Association; Hawaii Medical Services Association; North Hawaii
Hospice, Inc.; and two individuals.

Your Committee finds that the Governor's executive biennium
budget proposes downsizing the State Health Planning and
Development Agency (SHPDA) and transferring its role of
administering the Certificate of Need (CON) program to the
Department of Health. Your Committee further finds that the CON



program is a vital regulatory component for ensuring accessibility to healthcare in Hawaii as well as the long-term financial viability of the healthcare delivery system. This measure makes the duties of SHPDA optional instead of mandatory.

Your Committee heard significant opposition and comment to this measure from various stakeholders in the healthcare community, whose chief concern is the continued operation of the CON program. Your Committee finds that the goals of the Governor's biennium budget may be accomplished by transferring the responsibilities of SHPDA directly to the Department of Health. Furthermore, your Committee finds that excess moneys from the state health planning and development special fund, which SHPDA uses to offset its program expenses, should be returned to the State's general fund.

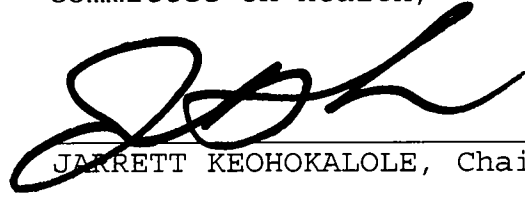
Therefore, your Committee has amended this measure by:

- (1) Making SHPDA's duties mandatory instead of optional;
- (2) Amending the measure to make the Department of Health alternatively responsible for SHPDA's duties and responsibilities, which repeals after five years;
- (3) Adding a provision that requires any moneys in excess of \$2,000,000 remaining in the state health planning and development special fund at the close of each fiscal year to lapse into the general fund; and
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1231, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1231, S.D. 1, and be referred to your Committee on Ways and Means.



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



JARRETT KEOHOKALOLE, Chair



