
A BILL FOR AN ACT

RELATING TO PENALTIES FOR UNLICENSED CARE HOMES.

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

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

9 The legislature further finds that under existing law,
10 there are two provisions that assess administrative penalties
11 that can be imposed on care home operators. Under section
12 321-486.3, Hawaii Revised Statutes, the fine for each day of
13 uncertified or unlicensed operation of a care home is only \$100
14 for the first violation, up to a maximum of \$1,000 for
15 subsequent violations. The legislature notes that unlicensed
16 care homes charge as much as \$8,000 per month per client for
17 multiple clients. A penalty under section 321-20(1), Hawaii



1 Revised Statutes, of up to \$1,000 per day regardless of the
2 number of prior violations would be a better remedial penalty to
3 prevent operators from financially benefiting from operating a
4 care home without a certificate or license.

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6 repealed.

7 ~~["§321-486.3] Penalty. Any person who intentionally~~
8 ~~operates a care facility without a certificate or license shall~~
9 ~~be guilty of a misdemeanor and shall be fined no more than:~~

- 10 ~~(1) \$100 for each day of uncertified or unlicensed~~
- 11 ~~operation for the first violation;~~
- 12 ~~(2) \$500 for each day of uncertified or unlicensed~~
- 13 ~~operation for the second violation; and~~
- 14 ~~(3) \$1,000 for each day of uncertified or unlicensed~~
- 15 ~~operation for the third and each succeeding~~
- 16 ~~violation."]~~

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 Statutory material to be repealed is bracketed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

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



Report Title:

Care Homes; Penalties; Unlicensed Operators; Department of Health

Description:

Clarifies the penalty to be assessed on any person who intentionally operates a care facility without a certificate or license. (SD1)

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