
HOUSE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY
OF THE NECESSITY FOR HAWAII'S CERTIFICATE OF NEED PROGRAM
UNDER CHAPTER 323D, HAWAII REVISED STATUTES.

1 WHEREAS, Certificate of Need programs are state-level
2 regulatory programs that require approval from a state health
3 planning agency for construction, expansion, and major capital
4 expenditures by health care facilities and services; and
5

6 WHEREAS, Hawaii's Certificate of Need law, codified as part
7 V of chapter 323D, Hawaii Revised Statutes, was established in
8 1975 in response to the National Health Planning and Resources
9 Development Act of 1974 (NHPRDA), which conditioned the award of
10 federal public health service grants upon a state's adoption of
11 such regulatory measures; and
12

13 WHEREAS, in 1987, the federal mandate and funding
14 provisions of NHPRDA were repealed; and
15

16 WHEREAS, since the repeal of NHPRDA, twelve states have
17 fully repealed their Certificate of Need programs or allowed
18 their programs to expire, while several other states have
19 narrowed the application of their Certificate of Need laws to
20 only certain types of facilities; and
21

22 WHEREAS, Hawaii's law requires the State Health Planning
23 and Development Agency to approve a Certificate of Need for the
24 construction, expansion, alteration, conversion, development,
25 initiation, or modification of all health care facilities or
26 health care services in the State; and
27

28 WHEREAS, like many other states' Certificate of Need laws,
29 Hawaii's Certificate of Need law is intended to provide a



H.C.R. NO. 123

1 coordinated system that links statewide planning for health
2 services with facilities development; and

3

4 WHEREAS, Hawaii's Certificate of Need program, like other
5 programs nationwide, has faced criticism in several areas,
6 including that the program:

7

8 (1) Hampers the efficient performance of health care
9 markets by creating barriers to entry and expansion,
10 restricting free and open competition, and limiting
11 consumer choice, resulting in higher prices;

12

13 (2) Hampers innovation and improvements in the delivery of
14 better health care by limiting competition;

15

16 (3) Is inconsistently administered;

17

18 (4) Fails to meet its objective of controlling health care
19 costs; and

20

21 (5) Specifically limits rural hospitals and alternatives
22 for neighbor island residents; and

23

24 WHEREAS, national health care reform and other changes
25 taking place in the health care marketplace make it appropriate
26 to examine the relevancy of Hawaii's Certificate of Need program
27 and its effects on health care access, quality, and costs; now,
28 therefore,

29

30 BE IT RESOLVED by the House of Representatives of the
31 Thirty-first Legislature of the State of Hawaii, Regular Session
32 of 2022, the Senate concurring, that the Legislative Reference
33 Bureau is requested to conduct a study of the necessity for
34 Hawaii's Certificate of Need program under chapter 323D, Hawaii
35 Revised Statutes; and

36

37 BE IT FURTHER RESOLVED that the study is requested to
38 examine:

39

40 (1) The role of the Certificate of Need program in Hawaii;

41

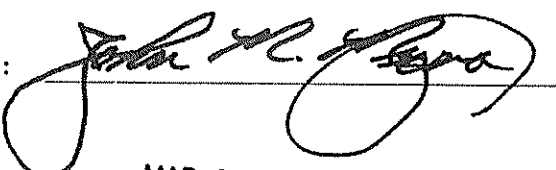


H.C.R. NO. 123

- 1 (2) Whether certain facilities, types of facilities, or
- 2 services should be exempt from the Certificate of Need
- 3 program;
- 4
- 5 (3) Whether modifications made to the Certificate of Need
- 6 program in other states may be beneficial to implement
- 7 in Hawaii; and
- 8
- 9 (4) Whether reducing or eliminating Certificate of Need
- 10 requirements may improve health care access on
- 11 neighbor island and for vulnerable populations; and
- 12

13 BE IT FURTHER RESOLVED that the Legislative Reference
14 Bureau is requested to submit a report of its findings and
15 recommendations regarding the Certificate of Need program,
16 including appropriate recommendations to eliminate or modify the
17 existing Certificate of Need program and any proposed
18 legislation, to the Legislature no later than twenty days prior
19 to the convening of the Regular Session of 2023; and
20

21 BE IT FURTHER RESOLVED that certified copies of this
22 Concurrent Resolution be transmitted to Director of Health,
23 Administrator of the State Health Planning and Development
24 Agency, and Director of the Legislative Reference Bureau.
25
26
27

OFFERED BY: 
MAR 11 2022