

STAND. COM. REP. NO.

20977

Honolulu, Hawaii

APR 06

, 2023

RE: S.B. No. 404  
S.D. 2  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 404, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HOSPITAL SUSTAINABILITY PROGRAM,"

begs leave to report as follows:

The purpose of this measure is to preserve access to health care for Medicaid recipients and strengthen the Hospital Sustainability Program by:

- (1) Amending the definition of "private hospital";
- (2) Clarifying the uses of the Hospital Sustainability Program Special Fund;
- (3) Increasing the Hospital Sustainability Fee cap for various facilities;
- (4) Requiring the Department of Human Services to consult and negotiate with the hospital trade association in the State regarding Hospital Sustainability Fee participation and rates;

2023-3178 SB404 HD2 HSCR HMSO



- (5) Clarifying the circumstances under which the Hospital Sustainability Fee shall be discontinued and the distribution of remaining funds;
- (6) Making the Hospital Sustainability Program permanent and permanently exempting the Hospital Sustainability Program from the central service and administrative expenses assessments; and
- (7) Appropriating funds out of the Hospital Sustainability Program Special Fund.

Your Committee received testimony in support of this measure from the Hawai'i Primary Care Association, Kaiser Permanente Hawai'i, The Queen's Health System, Hawai'i Pacific Health, and Healthcare Association of Hawaii. Your Committee received comments on this measure from the Department of Human Services.

Your Committee has amended this measure by:

- (1) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 404, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 404, S.D. 2, H.D. 2.

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



KYLE T. YAMASHITA, Chair



