STAND. COM. REP. NO. 1442-06

Honolulu, Hawaii , 2006 RE: H.C.R. No. 95 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Health, to which was referred H.C.R. No. 95 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY AND ANALYSIS OF THE ADEQUACY OF PAYMENTS FOR HEALTH CARE FUNDED BY THE STATE AND THE ADEQUACY OF PAYMENTS FOR HEALTH CARE USING RATES ESTABLISHED BY THE STATE,"

beg leave to report as follows:

The purpose of this concurrent resolution is to address the financial crisis of Hawaii's health care providers by requesting the Legislative Reference Bureau (LRB) to analyze whether health care payments made with state funds or at rates controlled by the State are sufficient to cover the actual costs of care.

The Hawaii Business Roundtable, Hawaii Long Term Care Association, Hawaii Pacific Health, Healthcare Association of Hawaii, and Kaiser Permanente supported this measure. LRB submitted comments.

Your Committees find that the State, as a major player in Hawaii's health care market, should be informed about the effects of its payment policies on the financial status of health care providers.

Your Committees have amended this concurrent resolution as suggested by LRB by narrowing the scope of the requested study to more manageable and result-oriented proportions.

As amended, this concurrent resolution requests LRB to:

- (1) Study procedures used by other jurisdictions or recommended by experts to ensure adequate reimbursement of Medicaid providers;
- (2) Compare rates for the ten most frequently used Medicaid and QUEST services, with the actual costs of the services and the amount reimbursed to the provider;
- (3) Provide a method of adjusting payments and reimbursements every two years for inflation; and
- (4) Compare Hawaii with other jurisdictions with regard to provider reimbursement for at least the ten most frequently used Medicaid and QUEST health services.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 95, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 95, H.D. 1.

Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Health,

DENNIS A. ARAKAKI, Chair

ROBERT N. HERKES, Chair

HCR95 HD1 HSCR CPC-HLT HMS 2006-3285

#### State of Hawaii House of Representatives The Twenty-third Legislature

# HSCR 1442-66

## **Record of Votes of the Committee on Consumer Protection & Commerce**

Bill/Resolution No.;	Date:	04/03	106					
Committee Referral:  CPC/ HLTSFIN The committee is reconsidering its previous decision on the measure.								
e recommendation is to: Pass, unamended Pass, with amendments								
☐ Hold ☐ Recommit								
CPC Members	Ayes	Ayes (WR)	Nays	Excused				
1. HERKES, Robert N. (C)								
2. SCHATZ, Brian (VC)								
3. CALDWELL, Kirk								
4. ITO, Ken								
<ul><li>5. KANOHO, Ezra R.</li><li>6. KARAMATSU, Jon Riki</li></ul>	_							
7. MORITA, Hermina M.	•							
8. SONSON, Alex M.				<b>- Y</b>				
9. SOUKI, Joseph M.								
10. MARUMOTO, Barbara C.								
11. STONEBRAKER, Bud								
	-							
TOTAL	8			3				
The recommendation is:								
, □ Not Adopted								
$\rightarrow$		12.1						
If joint referral, did not support recommendation.								
Vice Chair's or designee's signature:								
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office								

#### State of Hawaii House of Representatives The Twenty-third Legislature

# HSCR 1442-06

## **Record of Votes of the Committee on Health**

Bill/Resolution No.:	95 HD1	Date: 04/03/06					
Committee Referral:	95 HDI HLT, PIN	☐ The committee is reconsidering its previous decision on the measure.					
The recommendation is to:	☐ Pass, unamended	Pass, with amendments					
	☐ Hold	Pass, with amendments, for recommittal for further consideration					
HLT Mem	bers	Ayes	Ayes (WR)	Nays	Excused		
1. ARAKAKI, Dennis A.	(C)						
2. GREEN, Josh, M.D. (	VC)						
3. CABANILLA, Rida T	.R.						
4. HALE, Heléne H.							
5. NISHIMOTO, Scott Y	•						
6. SONSON, Alex M.							
7. HALFORD, Chris							
	·						
				·			
TOTAL		5			2		
The recommendation is:	Adopted						
	☐ Not Adopted						
	-		P. L. est even				
If joint referral, did not support recommendation.  committee acronym(s)							
Vice Chair's or designee's <u>signature</u> :							
John MID							
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office							