STAND. COM. REP. NO. 3618

Honolulu, Hawaii

APR 11 2006

RE: S.C.R. No. 77

S.D. 2

Honorable Robert Bunda President of the Senate Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Housing, to which was referred S.C.R. No. 77, S.D. 1, entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY OF RECOMMENDED PROCEDURES THAT WILL ENSURE THAT STATE-FUNDED HEALTH CARE PAYMENTS ADEQUATELY REIMBURSE PROVIDERS WHO PROVIDE SERVICES FOR MEDICAID OR QUEST RECIPIENTS FOR THE ACTUAL COSTS OF HEALTH CARE SERVICES,"

begs leave to report as follows:

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study of recommended procedures that will ensure adequacy of state health care reimbursements to providers who provide services for Medicaid or QUEST recipients for the actual costs of health care services.

Testimony in support of this measure was submitted by Healthcare Association of Hawaii, Kaiser Permanente, Hawaii Pacific Health, the Hawaii Business Roundtable, and the Hawaii Long Term Care Association. The Legislative Reference Bureau submitted comments on this measure.

Your Committee finds that the State pays for a considerable amount of health care and controls certain types of payments for health care made to providers. Your Committee further finds that it is in the public interest to ensure that these health care payments made with state funds or controlled by the State are

sufficient to cover the actual costs of care in the Medicare or QUEST context and under the workers compensation insurance system.

Accordingly, your Committee has amended this measure by requesting that the Legislative Reference Bureau conduct two studies that examine payments to providers of health care services: one for Medicaid or QUEST recipients and another for injured employees under workers compensation insurance. Your Committee further amended this measure by requesting that the Legislative Reference Bureau submit these two studies on a staggered basis prior to the Regular Sessions of 2007 and 2008.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 77, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 77, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Commerce, Consumer Protection, and Housing,

RON MENOR, Chair

## The Senate Twenty-Third Legislature State of Hawaii

## Record of Votes of the Committee on Commerce, Consumer Protection and Housing (Bills and Resolutions)

Measure:* Committee Referral: Date: 4/7/66 HTH, CPH Date: 4/7/66				
The committee is reconsidering its previous decision on this measure.				
If so, then the previous decision was to:				
The Recommendation is to:				
Pass, unamended Pass, with amendments Hold Recommit (2312) (2311) (2310) (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
MENOR, Ron (C)				
BAKER, Rosalyn H. (VC)				
ESPERO, Will				
IGE, David Y.				
SAKAMOTO, Norman				
HOGUE, Bob				
TOTAL	4		_	2
Recommendation:				
Adopted Not Adopted				
Chair's or Designee's Signature:				
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Distribution: Pink Goldenrod				
File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

<sup>\*</sup>Do <u>not</u> list more than one measure per Record of Votes.