STAND. COM. REP. NO. 1640

Honolulu, Hawaii

## APR 0 5 2007

RE: H.B. No. 104

H.D. 2 S.D. 2

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

## Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 104, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to meet rising health care costs and ensure that Hawaii's residents have continued access to quality health care.

This measure accomplishes this purpose by:

- (1) Establishing a process by which medicaid fee-for-service individual provider reimbursement rates are increased annually for inflation;
- (2) Retroactively adjusting for inflation, payments made to providers of hospital outpatient services and other individual providers to account for the lack of a rate increase for the past five years; and
- (3) Appropriating funds:
  - (A) To increase the medicaid fee schedule to one hundred per cent of the medicare fee schedule for the current year;
  - (B) To adjust for inflation payments made to medicaid fee-for-service hospitals during fiscal biennium 2005-2007; and

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(C) For the State's portion of the federal disproportionate share hospital allowance.

Your Committee received comments in support of this measure from Hawaii Health Pacific, the Hawaii Medical Services Association, the Chamber of Commerce of Hawaii, the Hawaii Primary Care Association, and the American Physical Therapy Association, Hawaii chapter. The Department of Human Services and the Healthcare Association of Hawaii offered comments.

Upon further consideration, your Committee has amended this measure by changing all appropriated amounts to unspecified amounts for the purpose of facilitating further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 104, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 104, H.D. 2, S.D. 2.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

ROSALYN H. BAKER, Chair

## The Senate Twenty-Fourth Legislature State of Hawaii

## Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:* HB IO4 HD2, SD1	Committee Referral: HSP, WAM		1	Date: 3/29/07	
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)					
TSUTSUI, Shan S. (VC)					
CHUN OAKLAND, Suzanne					
ENGLISH, J. Kalani					
FUKUNAGA, Carol					
HOOSER, Gary L.					
KIM, Donna Mercado		/			
MENOR, Ron					
TOKUDA, Jill N.					
HEMMINGS, Fred					
WHALEN, Paul					Linnard Last House As in Lagra
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		10	$\sim$		1
TOTAL		10	$\mathcal{O}$		1
Recommendation:  Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency					

\*Only one measure per Record of Votes