STAND. COM. REP. NO.

Honolulu, Hawaii

### FEB 1 2 2010

RE: S.B. No. 2650 S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Madam:

Your Committees on Human Services and Commerce and Consumer Protection, to which was referred S.B. No. 2650 entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF HUMAN SERVICES,"

beg leave to report as follows:

The purpose of this measure is to require Medicaid contracts between the Department of Human Services and Medicaid healthcare insurance plan contractors to contain provisions affecting the reimbursement obligations in the policies between the insurance plan and the home and community-based agencies.

Testimony in support of this measure was submitted by Universal Case Management, LLC, the Case Management Council, and Catholic Charities Hawaii. Testimony in opposition to this measure was submitted by the Department of Human Services. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that many contracts that are entered into between Medicaid contractors and the Department of Human Services do not contain provisions that specify the duties and obligations of the Medicaid contractors. Your Committees also find that these duties and obligations should be determined when these contracts are entered into. Your Committees further find that the twenty-five per cent reduction of the reimbursement rate in effect is too large, and that a lower percentage is more appropriate.



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Accordingly, your Committees have amended the measure to reflect a maximum ten per cent reduction in reimbursement rates. Your Committees have also made technical, nonsubstantive stylistic changes.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2650, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2650, S.D. 1, and be referred to the Committee on Ways and Means.

> Respectfully submitted on behalf of the members of the Committees on Human Services and Commerce and Consumer Protection,

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STATANU CHUN QUULAND, Chair



#### The Senate Twenty-Fifth Legislature State of Hawaii

## Record of Votes Committee on Human Services HMS

Bill / Resolution No.:*	Committee Referral: Date: 2/9/10							
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			
CHUN OAKLAND, Suzanne (C	C)	V						
IHARA, Jr., Les (VC)		/						
GREEN, M.D., Josh			·		-			
HEMMINGS, Fred					$\mathcal{V}$			
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TOTAL		3	D	0				
Recommendation:								
Chair's or Designee's Signature:								
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy								

# \*Only one measure per Record of Votes

### The Senate Twenty-Fifth Legislature State of Hawaii

### Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:* SB 2650	Committee HMS/CP	Referral: N , WAM		Date: $\gamma_{10}\gamma_{01}0$					
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)	·								
IGE, David Y. (VC)		1,							
ESPERO, Will									
GREEN, M.D., Josh									
IHARA, Jr., Les	•								
SAKAMOTO, Norman									
HEMMINGS, Fred			1-11-2-market						
TOTAL		6							
Recommendation:									
Chair's or Designee's Signature:									
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy									
*Only one measure per Record of Votes									