STAND. COM. REP. NO. 193

Honolulu, Hawaii

March 24, 2011

RE: S.B. No. 787

S.D. 2 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committees on Human Services and Health, to which was referred S.B. No. 787, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

beg leave to report as follows:

The purpose of this bill is to increase Medicaid reimbursement rates so that rates for patients:

- (1) Occupying acute care licensed beds who are waitlisted for long-term care are at least equal to the rate paid for acute care services; and
- (2) With medically complex conditions occupying long-term care beds who have been receiving acute care services in an acute care facility are at least equal to the rate paid for subacute care services.

The Queen's Medical Center and Healthcare Association of Hawaii supported this bill. The Department of Human Services opposed this measure.

Your Committees acknowledge that testimony from the Healthcare Association of Hawaii points out that a report issued by Ernst & Young in late 2009 reported that Medicaid pays for only 20 to 30 percent of the actual costs of care for waitlisted patients, representing uncompensated hospital costs of approximately \$72.5 million in 2008.

Your Committees have amended this bill by:

- (1) Adding provisions that eliminate barriers and mechanisms that prevent or restrict the flexible use of Medicaid funds to enable reimbursements by Medicaid and its contracted health plans to follow patients transitioning out of acute care to community-based care or private institutions; and
- (2) Making technical, nonsubstantive amendments, for clarity, consistency and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 787, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 787, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Human Services and Health,

RYAN I. YAWANE, Chair

IOHN M. MIZUNO.

SB787 HD1 HSCR HUS-HLT HMS 2011-3216

State of Hawaii House of Representatives The Twenty-sixth Legislature

Record of Votes of the Committee on Human Services

	ee Referral: /HLT, FII	_ I . I					
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)							
HUS Members	Ayes	Ayes (WR)	Nays	Excused			
1. MIZUNO, John M. (C)							
2. JORDAN, Jo (VC)							
3. BELATTI, Della Au							
4. HANOHANO, Faye P.							
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5. LEE, Chris							
6. MORIKAWA, Dee							
7. WOOLEY, Jessica							
8. YAMANE, Ryan I.	/						
9. CHING, Corinne W.L.							
J. CHING, COMMIC WILL.				V			
10. PINE, Kymberly Marcos							
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TOTAL (10)	7			3			
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							

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Record of Votes of the Committee on Health

SB787, SD2 Committee HUS/	ee Referral: 'HLT, FI	V Date:	3/21/201	1			
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)							
HLT Members	Ayes	Ayes (WR)	Nays	Excused			
1. YAMANE, Ryan I. (C)	/						
2. MORIKAWA, Dee (VC)							
3. BELATTI, Della Au				/			
4. HANOHANO, Faye P.	\checkmark	. , , , , , , ,					
5. JORDAN, Jo							
6. LEE, Chris			·	V			
7. MIZUNO, John M.							
8. WOOLEY, Jessica							
9. CHING, Corinne W.L.							
10. PINE, Kymberly Marcos							
TOTAL (10)	_ 1			3			
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