STAND. COM. REP. NO. 48 -12

Honolulu, Hawaii

Feb 7 , 2012

RE: H.B. No. 2275

H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2012 State of Hawaii

Sir:

Your Committees on Health and Human Services, to which was referred H.B. No. 2275 entitled:

"A BILL FOR AN ACT RELATING TO HOSPITALS,"

beg leave to report as follows:

The purpose of this measure is to ensure access to health care for Medicaid recipients by:

- (1) Establishing a hospital sustainability fee and a special fund to receive moneys from the hospital sustainability fee so that the State may be eligible to receive federal Medicaid matching funds under the QUEST Expanded Medicaid Section 1115 Demonstration Waiver; and
- (2) Requiring the Department of Human Services to charge and collect a provider fee from hospitals on health care items or services provided.

The Healthcare Association of Hawaii, Hawaii Pacific Health, and two individuals testified in support of this measure. The Department of Human Services, Department of Budget and Finance, Hawaii Health Systems Corporation, and Hawaii Medical Service Association commented on this measure.

Your Committees have amended this measure by:

- (1) Authorizing the use of the hospital sustainability fee to match federal Uncompensated Care Cost funds if certified public expenditures are not sufficient;
- (2) Clarifying that the hospital sustainability fee shall not exceed three percent of net patient service revenue, as derived from the hospitals' Medicare cost report ending during State Fiscal Year 2010;
- (3) Making the exemption from or reduction in fee obligations for certain hospitals permissive instead of mandatory;
- (4) Requiring hospitals to pay the hospital sustainability fee on a monthly, rather than on a quarterly basis;
- (5) Specifying that a Section 1115 Waiver renewal and approval of contracts between the State and the Medicaid health plans may be necessary in the Department of Human Services seeking a waiver and approvals from the Centers for Medicare and Medicaid Services;
- (6) Specifying that the Healthcare Association of Hawaii is also to receive documentation of the rate enhancement from the QUEST and QUEST Expanded Access plans; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2275, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2275, H.D. 1, and be referred to the Committee on Finance.

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

JOHN M. MIZUNO, Chain

RYAN I. YAMAYE, Chair

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

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

AB 2275 HC	tee Referral: T/HUS,F/	N Date:	1/31/1	2_			
☐ 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				V			
4. HANOHANO, Faye P.							
5. JORDAN, Jo							
6. LEE, Chris	<b>V</b>						
7. MIZUNO, John M.	$\overline{}$						
8. WOOLEY, Jessica							
9. CHING, Corinne W.L.		·		V			
10. PINE, Kymberly Marcos							
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TOTAL (10)	1			3			
The recommendation is:  Adopted  If joint referral,  committee acronym(s)  Not Adopted  did not support recommendation.							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							

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

## Record of Votes of the Committee on Human Services

Bill/Resolution No.: HB 2275	Committee Referral: HLT/HUS, FIN	FIN JAN 31,2012					
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to:  Pass, unamended (as is) Pass, with amendments (HD) Pass short form bill with HD to recommit for future public hearing (recommit)							
<b>HUS Members</b>	Ayes	Ayes (WR)	Nays	Excused			
1. MIZUNO, John M. (C)				<u></u>			
2. JORDAN, Jo (VC)							
3. BELATTI, Della Au							
4. HANOHANO, Faye P.							
5. LEE, Chris							
6. MORIKAWA, Dee							
7. WOOLEY, Jessica							
8. YAMANE, Ryan I.							
9. CHING, Corinne W.L.							
10. PINE, Kymberly Marcos							
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:							
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