STAND. COM. REP. NO. 3051

Honolulu, Hawaii

MAR 3 0 2012

RE: S.C.R. No. 93

S.D. 1

Honorable Shan S. Tsutsui President of the Senate Twenty-Sixth State Legislature Regular Session of 2012 State of Hawaii

Sir:

Your Committees on Human Services and Health, to which was referred S.C.R. No. 93 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES AND THE DEPARTMENT OF HEALTH TO DEVELOP A PILOT DEMONSTRATION PROGRAM FOCUSED ON THE TOP FIVE PERCENT OF MEDICAID BENEFICIARIES WHOSE CARE NEEDS ACCOUNT FOR A SIGNIFICANT PORTION OF MEDICAID EXPENDITURES IN THE STATE,"

beg leave to report as follows:

The purpose and intent of this measure is to request the Department of Human Services and the Department of Health to:

- (1) Develop a two-year pilot demonstration program that:
 - (A) Focuses on the top five percent of Medicaid beneficiaries whose health care needs account for a significant portion of Medicaid expenditures in the State;
 - (B) Coordinates services to the highest need, highest cost Medicaid beneficiaries;
 - (C) Includes an outpatient care component with comprehensive health care and social services; and
 - (D) Identifies methods of reducing potentially avoidable costs due to care defects and emergency room admissions; and

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(2) Submit a report to the Legislature on the status of the pilot demonstration project no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committees received testimony in support of this measure from United Self Help and one individual.

Your Committees find that potentially avoidable costs of patient care recognized as the result of care defects account for twenty-two percent of all private-sector health care expenditures in the United States. Data shows that potentially avoidable costs can account for as much as eighty percent of all dollars spent for severe health conditions that require intensive management.

Your Committees also find that demonstration programs that focus on and incentivize the coordination of care can result in improved health care provision and a reduction in overall health care costs. This measure requests the Department of Human Services and the Department of Health to develop a pilot demonstration program to focus on the top five percent of Medicaid beneficiaries and identify methods of reducing potentially avoidable costs due to care defects and emergency room admissions.

Your Committees have amended this measure by 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 Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 93, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 93, S.D. 1.

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

JOSH GREEN, M.D., Chair

SUZANNE CHUN OAKLAND, Chair

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The Senate Twenty-Sixth Legislature State of Hawai'i

Record of Votes Committee on Human Services HMS

Bill / Resolution No.:*	Committee Referral: Date:							
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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)								
IHARA, Jr., Les (VC)								
GREEN, M.D., Josh		/	_					
SLOM, Sam								
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Recommendation: Adopted Not Adopted								
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Chair's or Designee's Signature:								
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^{*}Only one measure per Record of Votes

The Senate Twenty-Sixth Legislature State of Hawai'i

Record of Votes Committee on Health HTH

Bill / Resolution No.:*	Committee	Committee Referral:		Date:				
SCR 93	HMS/HTH, WAM			03/28/12				
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			
GREEN, M.D., Josh (C)			1					
NISHIHARA, Clarence K. (VC)								
BAKER, Rosalyn H.								
CHUN OAKLAND, Suzanne								
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WAKAI, Glenn	1							
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Recommendation:		<u> </u>						
Adopted Not Adopted								
Chair's or Designee's Signature:								
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