STAND. COM. REP. NO. 776

Honolulu, Hawaii

## MAR 0 1 2013

S.B. No. 936 RE: S.D. 2

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 936, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HOSPITAL SUSTAINABILITY PROGRAM, "

begs leave to report as follows:

The purpose and intent of this measure is to amend Act 217, Session Laws of Hawaii 2012, relating to the Hospital Sustainability Program.

Specifically, this measure:

- Adjusts the percentage allocations of funds to be (1)expended from the hospital sustainability program fund for uncompensated care and other purposes;
- (2) Authorizes the Department of Human Services to use funds derived from intergovernmental transfers to support direct supplemental payments to health plans for the benefit of state hospitals;
- Lowers the percentage of a hospital's net inpatient (3) hospital service revenue that is used to set a hospital's inpatient hospital sustainability fee;
- (4) Lowers the net outpatient revenue monetary threshold that qualifies a hospital to pay the hospital sustainability fee on outpatient care services;



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- (5) Exempts public hospitals and any hospital that was not in operation during any part of calendar year 2012 from paying the hospital sustainability fee on outpatient care services;
- (6) Increases the total aggregate amount of direct payments to be paid to private hospitals to cover uncompensated care costs in fiscal year 2013;
- (7) Clarifies and updates the text of Act 217;
- (8) Makes an appropriation out of the hospital sustainability program special fund for fiscal year 2013-2014; and
- (9) Extends the repeal date of Act 217 to June 30, 2014.

Your Committee received written comments in support of this measure from the Department of Human Services, Healthcare Association of Hawaii, and Hawaii Pacific Health.

Your Committee finds that extending Act 217 will enable the Department of Human Services to continue to make supplemental payments to help hospitals offset their uncompensated care costs.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and style.

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 S.B. No. 936, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 936, S.D. 2.

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

Anid y lae



## The Senate Twenty-Seventh Legislature State of Hawai'i

## Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee	Committee Referral:		Date:	
58936,501	HTH/HMS, WAM			2-2-13	
The committee is reconsidering its previous decision on this measure.					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)		$\checkmark$			
KIDANI, Michelle N. (VC)		$\checkmark$			
CHUN OAKLAND, Suzanne		~			
DELA CRUZ, Donovan M.					
ENGLISH, J. Kalani		~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~			
ESPERO, Will					5
KAHELE, Gilbert					
KEITH-AGARAN, Gilbert S.C					
KOUCHI, Ronald D.					for much
RUDERMAN, Russell E.			" <u>.</u>		
THIELEN, Laura H.					
TOKUDA, JIII N.		~		· .	
SLOM, Sam					
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TOTAL		12	0	0	1
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature: Muhille & Kideni					
Distribution: Original Yellow Pink Goldenrod   File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

\*Only one measure per Record of Votes