

STAND. COM. REP. NO. 61

Honolulu, Hawaii

FEB 10 2015

RE: S.B. No. 806
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committees on Health and Human Services and Housing, to which was referred S.B. No. 806 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Continue the hospital sustainability program by extending its sunset date to June 30, 2016, updating the referral dates in the statute, and revising the funding amount for the hospital sustainability program for fiscal year 2015-2016; and
- (2) Appropriate funds out of the hospital sustainability program special fund for the purposes of the fund.

Your Committees received testimony in support of this measure from the Hawaii Health Systems Corporation, Chamber of Commerce Hawaii, Hawaii Primary Care Association, Healthcare Association of Hawaii, The Queen's Health Systems, and Hilo Medical Center Foundation. Your Committees received comments on this measure from the Department of the Attorney General and Department of Human Services.

Your Committees find that the Legislature created the hospital sustainability program by enacting Act 217, Session Laws of Hawaii 2012, to increase Medicaid payments to hospitals in

2015-1179 SSCR SMA.doc



recognition that Medicaid payments to hospitals were below the actual costs of care. Because of the hospital sustainability program, Medicaid payments to many facilities in the State are closer to the actual costs of care, which helps to ensure that Medicaid patients have access to the hospital care that they need.

Your Committees have amended this measure by:

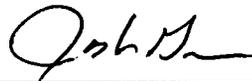
- (1) Inserting language to ensure that the hospital sustainability program special fund retains its exemptions from the central service expenses and administrative expenses assessments through December 31, 2016; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 806, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 806, S.D. 1, and be referred to the Committee on Ways and Means.

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



SUZANNE CHUN OAKLAND, Chair

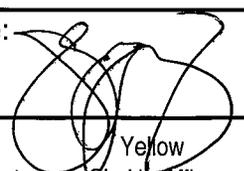


JOSH GREEN, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* SB 800	Committee Referral: HTH / HSH, WAM	Date: 2/3/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GREEN, Josh (C)	✓			
WAKAI, Glenn (VC)	✓			
BAKER, Rosalyn H.				✓
GABBARD, Mike				✓
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam				✓
TOTAL	4	0	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
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

