

STAND. COM. REP. NO. **830**

Honolulu, Hawaii

MAR 06 2015

RE: S.B. No. 806
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 806, 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 continue the hospital sustainability program for one year.

Specifically, this measure:

- (1) Extends the program's sunset date to June 30, 2016; and
- (2) Amends various provisions of the program by, among other things:
 - (A) Establishing reimbursement percentage rates for inpatient and outpatient uncompensated care costs;
 - (B) Providing that each eligible hospital's quarterly payment shall be equal to one-quarter of its prorated share of upper payment limit payments for the fiscal year in which payment is made;
 - (C) Revising, to an unspecified amount, the amount that the Department of Human Services makes in direct payments to private hospitals to cover uncompensated care costs incurred for serving



Medicaid and uninsured individuals during the 2015-2016 fiscal year;

- (D) Requiring the Department of Health to make direct payments to level two trauma centers designated by the American College of Surgeons and specialty children's hospitals that do not pay both the inpatient and outpatient assessments for fiscal year 2015-2016; and
- (E) Appropriating funds from the hospital sustainability program special fund.

Your Committee received written comments in support of this measure from The Chamber of Commerce of Hawaii, Hawaii Health Systems Corporation, Hawaii Primary Care Association, Healthcare Association of Hawaii, and The Queen's Health Systems. Your Committee received written comments on this measure from the Department of Human Services.

Your Committee finds that Medicaid payments to hospitals have not always covered the actual costs of care. The Legislature recognized and sought to remedy that situation by establishing the hospital sustainability program in Act 217, Session Laws of Hawaii 2012, to increase Medicaid payments to hospitals.

Your Committee further finds that the hospital sustainability program has increased Medicaid payments so that they more closely reflect the actual costs of care. Your Committee also finds that the program helps ensure that Medicaid patients in the State have access to the hospital care that they need and that it is necessary to extend the program.

Your Committee has amended this measure by clarifying the language that authorizes direct payments to level two trauma centers and specialty children's hospitals to state that the level two trauma centers must be verified by the American College of Surgeons and designated by the Department of Health in order to qualify to receive direct payments under the hospital sustainability program.

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. 806, S.D. 1, as amended herein, and recommends that it pass
Third Reading in the form attached hereto as S.B. No. 806, S.D. 2.

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

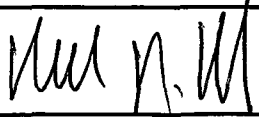


JILL N. TOKUDA, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB806 SD1</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">HETH/HSTH, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">3/2/15</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam	✓			
TOTAL	11	0	0	0
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-left: 50px;">  </div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="text-align: center;">Original File with Committee Report</div> <div style="text-align: center;">Yellow Clerk's Office</div> <div style="text-align: center;">Pink Drafting Agency</div> <div style="text-align: center;">Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes