MAR 1 0 2017

SENATE CONCURRENT RESOLUTION

REQUESTING THE CONVENING OF A WORKING GROUP RELATING TO COMPLEX PATIENTS.

WHEREAS, waitlisted patients are hospitalized individuals who have recovered sufficiently to no longer need the acute level of care that a hospital provides but who cannot be transferred to a long-term care facility because of a complex medical or behavioral health need that requires more intensive services; and

WHEREAS, the intensive services needed by these patients are often too costly for long-term care facilities to provide because of the wide gap between cost of care and the reimbursement received from Medicaid, so patients remain in the hospital for many weeks or months after the appropriate date of discharge from an acute-level facility; and

WHEREAS, according to a 2014 report, there were 7,055 waitlisted patients in Hawaii hospitals in 2011, requiring care at an average cost of \$1,404 per day and resulting in a net annual loss to hospitals of approximately \$62,700,000; and

WHEREAS, providing an add-on payment to the base Medicaid reimbursement rates that long-term care facilities receive for care of these patients, as 38 other states already do, will incentivize their transfer from the hospital to a more appropriate, lower-cost setting of care; and

WHEREAS, without a financial incentive to assume care of individuals with complex medical issues, the reluctance of long-term care facilities to take on these patients after hospital discharge will likely worsen since the level of reimbursement will increasingly fall short of the cost of providing needed services; and

1 2

S.C.R. NO. 106

WHEREAS, moving waitlisted patients into long-term care facilities will free beds for access by patients who actually need acute care services and will allow acute care facilities to realize their full and appropriate revenue potential by providing acute care services, which are reimbursed at a higher rate, while freeing them from the obligation to provide lower-reimbursement, long-term care services; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017, the House of Representatives concurring, that the MedQUEST Administrator is requested to convene a working group to evaluate the issue of complex patients who are waitlisted in hospitals because of medical or behavioral health issues and to consider solutions that include incentive or add-on payments to

encourage their transfer out of hospitals and into more appropriate settings; and

BE IT FURTHER RESOLVED that the MedQUEST Administrator is requested to serve as chair of the working group and to invite the participation of one representative from each of the following:

- (1) The Department of Human Services;
- (2) Healthcare Association of Hawaii;
- (3) A hospital or health care system from each county;
- (4) A skilled nursing facility from each county;
- (5) Hawaii Medical Association; and
- (6) Hawaii Association of Health Plans; and

BE IT FURTHER RESOLVED that the working group is requested to submit a report of findings and recommendations, including any proposed legislation, to the Legislature no later than 20 days prior to the convening of the Regular Session of 2018; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Director of Human Services; MedQUEST Administrator, President and CEO of Healthcare Association of Hawaii; Chief Executive Officer of Hawaii Health Systems Corporation; President of Hawaii Medical Association; and President of Hawaii Association of Health Plans.

OFFERED BY:

Du a Ble

sto Co

Mull

Will Eyer

Nichille Stedani

Snew Haring

Straine L. Januar

Cluma Wishihan