STAND. COM. REP. NO.

Honolulu, Hawaii

## MAR 2 4 2017

RE: H.B. No. 92 H.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 92, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LONG-TERM CARE FACILITIES,"

begs leave to report as follows:

The purpose and intent of this measure is to require and appropriate funds for an annual inflation adjustment to the methodology used to reimburse long-term care facilities for care provided to Medicaid recipients.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation; Oahu Region of the Hawaii Health Systems Corporation; Chamber of Commerce Hawaii; The Queen's Health Systems; Aloha Nursing Rehab Centre; One Kalakaua Senior Living; Ann Pearl Rehabilitation and Healthcare; Ohana Pacific Management Company, Inc.; Pu'uwai 'O Makaha; Hale Kupuna Heritage Home; Healthcare Association of Hawaii; Hawaii Chapter of the American Physical Therapy Association; Clarence T. C. Ching Villas at St. Francis; Garden Isle Rehabilitation and Healthcare; and one individual. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that long-term care facilities in the State face major financial challenges in providing quality health care for Hawaii residents, largely because the payments for Medicaid enrollees do not cover the actual costs of care. The



STAND. COM. REP. NO. 1085 Page 2

Legislature did approve funding for an inflationary update to Medicaid rates for long-term care facilities in 2016, the first increase in approximately seven years. That one-time appropriation of approximately \$1,500,000 for fiscal year 2016-2017 generated an additional \$2,500,000 in federal funds. However, despite that infusion of funds, the Medicaid shortfall will likely persist as the rising costs of care continue to outpace reimbursements. This measure provides another inflationary adjustment for fiscal years 2017-2018 and 2018-2019 to help defray some of those costs.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 92, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

> Respectfully submitted on behalf of the members of the Committee on Human Services,

nh/2

JOSH GREEN, Chair



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

## Record of Votes Committee on Human Services HMS

Bill / Resolution No.:*	Committee Referral:		Date:				
HB 92 HDI	392 HDI HMS		WAM		3/22/2017		
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 <sub>,</sub>	Aye (W	R)	Nay	Excused	
GREEN, Josh (C)							
CHANG, Stanley (VC)		V					
HARIMOTO, Breene						·	
TOKUDA, Jill N.					· · ·		
WAKAI, Glenn						•	
	·						
						-	
<sup></sup>			-			· · · · · · · · · · · · · · · · · · ·	
	-						
TOTAL		'3				2	
Recommendation:							
Chair's or Designee's Signature:							
Distribution: Original File with Committee Re	Yellow Pink Goldenrod Report Clerk's Office Drafting Agency Committee File Copy						

\*Only one measure per Record of Votes

.