STAND. COM. REP. NO.

Honolulu, Hawaii **FEB 1 4** , 2020 RE: H.B. No. 1637 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 1637 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to appropriate funds for one permanent full-time equivalent Medicare administrator position within the Department of Health for outreach and support for those transitioning to Medicare coverage.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed H.D. 1, which deletes the contents of this measure and inserts language to eliminate the spending ceiling for using monies in the Civil Monetary Penalty (CMP) Special Fund by the Department of Health for compliance activities approved by the federal Centers for Medicare and Medicaid Services (CMS).

Your Committee received testimony in support of the proposed H.D. 1 from the Department of Health; Healthcare Association of Hawaii; Hawaii Martin Luther King, Jr., Coalition; and four individuals. Your Committee received comments on the proposed H.D. 1 from one individual.



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Your Committee finds that under existing law, the CMP Special Fund has an annual spending ceiling of \$30,000. However, CMS now prefers for state laws not to contain spending limits so that favorable reinvestment projects can be better funded from CMP Special Fund monies. Your Committee notes that Hawaii's reinvestment plan was deemed unacceptable by the federal government because of the CMP Special Fund's spending limit. The proposed H.D. 1 removes the spending limit, which will align state law with the federal CMP reinvestment program.

Your Committee further finds that according to AARP, every month, Medicare spends approximately \$134 more for each socially isolated older adult than it would if the person were more communally connected. As an estimated four million older adults enrolled in traditional Medicare are considered socially isolated, Medicare spends an additional approximately \$6.7 billion per year.

Your Committee also finds that the federal Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act of 2017 extends and expands the Independence at Home demonstration program, through which comprehensive primary care services are delivered at home to Medicare beneficiaries with multiple chronic conditions.

Your Committee has amended this measure by adopting the proposed H.D. 1 and further amending the measure by:

- Specifically including supplemental health care benefits, such as in-home care, adult day care, and other non-medical, in-home items and services as acceptable expenditures by the Department of Health out of the CMP Special Fund;
- (2) Retaining the original version of this measure, as introduced, which appropriates funds for one permanent full-time equivalent Medicare administrator position within the Department of Health for outreach and support for those transitioning to Medicare coverage;
- (3) Adding a severability clause;
- (4) Changing its effective date to July 1, 2050, to encourage further discussion; and



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(5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1637, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1637, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Health,

in M. MIZUNO, Cha



## State of Hawaii House of Representatives The THIRTIETH Legislature



## **Record of Votes of the Committee on Health**

Bill/Resolution No.: HB 1637	Committee Referral:	Date	Z-13-	20
□ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:     □    Pass, unamended (as is)    □    Pass, with amendments (HD)    □    Hold    □    Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. MIZUNO, John M. (C)				
2. KOBAYASHI, Bertrand (VC)				
2. <b>KODA I ASITI, Bertrailu</b> (VC)				
3. BELATTI, Della Au		i Gornes <sub>de</sub> sank deskô (	ender der der der der der der der der der	
4. NAKAMURA, Nadine K.				an a
5. SAN BUENAVENTURA, Joy A				
6. SAY, Calvin K.Y.				
7. TOKIOKA, James Kunane				
8. WARD, Gene				
o. WARD, Cent	V			
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TOTAL (8)	7		$\Theta$	-0-
The recommendation is:  Adopted  Not Adopted    If joint referral,				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				