STAND. COM. REP. NO.

Honolulu, Hawaii

MAR 2 5 2021

RE: H.B. No. 311

> H.D. 1 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committees on Human Services and Health, to which was referred H.B. No. 311, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Extend the nursing facility sustainability program to 2024:
- (2) Extend the period of time for which the nursing facility sustainability fee may be used to enhance capitated rates paid to medicaid managed care health plans;
- Allow nursing facilities sixty days to pay the nursing facility sustainability fee;
- (4)Specify that the nursing facility sustainability fee limit is 5.5 percent of the overall net patient service revenue;
- Remove the per resident daily maximum fee of \$20 for (5) each facility;

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- Specify that facilities that meet certain exceptions shall pay a reduced daily fee in comparison to other participating facilities; and
- (7) Make an appropriation.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawai'i Primary Care Association, Aloha Nursing Rehab Centre, The Queen's Health Systems, and Healthcare Association of Hawaii.

Your Committees find that the nursing facility sustainability program has, since its establishment in 2012, served a critical role in strengthening the long-term care system in Hawaii. Committees further find that even with this program, nursing facilities in the State still face major challenges, due in part to the health and financial pressures related to the coronavirus disease 2019 (COVID-19) pandemic. Your Committees also find that provider fees, which are collected from specific categories of health care providers, may be imposed on different classes of health care services, including inpatient and outpatient hospital and nursing facility services. Your Committees find that provider fees exist in forty-nine states and the District of Columbia as a means of drawing down federal funds to sustain their medicaid programs due rising state budget deficits, increasing health care costs, and expanding medicaid enrollment. The additional federal funds obtained via the fee program authorized by the nursing facility sustainability program can maintain access to care and efficient delivery of health care for medicaid recipients, which will allow nursing facilities in the State to continue to provide a safety net for medicaid recipients and under-insured or uninsured patients.

Your Committees have amended this measure by:

- Inserting an effective date of June 29, 2021; provided (1) that sections 8 and 9 of this measure shall take effect on July 1, 2021; 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 311, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 311, H.D. 1, S.D. 1, and be referred to your Committees on Ways and Means and Commerce and Consumer Protection.

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

JARRATT KEOHOKALOLE, Chair

JOY A SAN BUENAVENTURA, Cha

The Senate Thirty-First Legislature State of Hawaiʻi

Record of Votes Committee on Human Services HMS

Bill / Resolution No.:*		Committee Referral:		Date:				
HB311 HD1	HMS/HT	HMS/HTH , WAM/CPN 03/18/20-		2021				
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	Aye (WR	l) Nay	Excused			
SAN BUENAVENTURA	SAN BUENAVENTURA, Joy A. (C)							
IHARA, Jr., Les (VC)	IHARA, Jr., Les (VC)							
ACASIO, Laura	ACASIO, Laura							
MISALUCHA, Bennette	MISALUCHA, Bennette E.							
FEVELLA, Kurt	FEVELLA, Kurt							
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Recommendation:								
Adopted 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								
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*Only one measure per Record of Votes

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Health HTH

Committee Referral: Da		Dat	te:						
HMS/HT	MAM.H	/CPM	3-18-	2021					
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									
	Aye	Aye (WR)	Nay	Excused					
KEOHOKALOLE, Jarrett (C)									
BAKER, Rosalyn (VC)									
MORIWAKI, Sharon Y.									
SAN BUENAVENTURA, Joy A.									
FEVELLA, Kurt									
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Chair's or Deeignee's Signature:									
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Yellow Pink Goldenrod eport Clerk's Office Drafting Agency Committee File Copy									
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*Only one measure per Record of Votes