

STAND. COM. REP. NO. 1263

Honolulu, Hawaii

**MAR 25 2021**

RE: H.B. No. 474  
H.D. 2  
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. 474, H.D. 2, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to preserve access to affordable health care for Medicaid recipients by extending the Hospital Sustainability Program for two years.

Your Committees received testimony in support of this measure from the Department of Human Services, The Queen's Health Systems, Hawai'i Primary Care Association, Adventist Health, Kaiser Permanente Hawai'i, Healthcare Association of Hawaii, and Hawai'i Pacific Health.

Your Committees find that the hospital sustainability program was established in 2012 and has served a critical role in strengthening the health care system in Hawaii. In the nine years since its inception, the hospital sustainability program has helped acute care facilities treat the most vulnerable patients in the State, especially low-income individuals who require hospital services. Your Committees further find that even with this program, hospitals in the State face major financial challenges. These challenges were exacerbated by the health and financial



pressures related to the coronavirus disease 2019 pandemic. Your Committees also find that provider fees exist in forty-nine states and the District of Columbia as a means of drawing down federal funds to sustain Medicaid programs due to rising state budget deficits, increasing health care costs, and expanding Medicaid enrollment. Your Committees find that a provider fee on hospitals can result in substantial increases in Medicaid payments without putting additional constraints on the State's budget. The additional federal funds obtained via the fee program authorized by the hospital sustainability program can maintain access to care for Medicaid recipients. As a result, your Committees find that this will allow hospitals in the State to continue to serve uninsured or underinsured patients in a timely, effective manner.

Your Committees have amended this measure by:

- (1) Inserting an appropriation of \$325,000,000;
- (2) Inserting an effective date of June 29, 2021; and
- (3) 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. 474, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 474, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

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



JARRETT KEOHOKALOLE, Chair

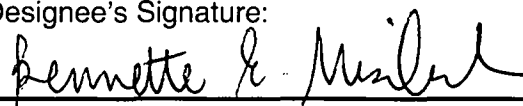


JOY A. SAN BUENAVENTURA, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

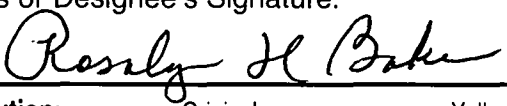
**Record of Votes**  
**Committee on Human Services**  
**HMS**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 474 HD2	HMS/HTH, WAM	3/22/2021		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SAN BUENAVENTURA, Joy A. (C)	✓			
IHARA, Jr., Les (VC)	✓			
ACASIO, Laura	✓			
MISALUCHA, Bennette E.	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
Thirty-First Legislature  
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**Record of Votes**  
**Committee on Health**  
**HTH**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB474 HD2	HMS/HTH, NAM	3-22-2021		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
BAKER, Rosalyn (VC)	✓			
MORIWAKI, Sharon Y.				✓
SAN BUENAVENTURA, Joy A.	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	4	-	-	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> 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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