

STAND. COM. REP. NO. **600**

Honolulu, Hawaii

FEB 22 2021

RE: S.B. No. 819
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 819, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to extend the hospital sustainability program.

Your Committee received written comments in support of this measure from the Department of Human Services, Healthcare Association of Hawaii, Hawaii Primary Care Association, Hawaii Pacific Health, and The Queen's Health Systems.

Your Committee finds that the hospital sustainability program is vital to preserve hospital access for Medicaid beneficiaries, especially as the State continues to face challenges from the coronavirus disease 2019 (COVID-19) pandemic and the recent recession. Your Committee notes that the program functions by levying a fee on participating providers, and that funds generated through the fee are used to draw down additional matching federal dollars, which are then distributed back to providers to help cover the difference between Medicaid reimbursements and Medicare reimbursements. Your Committee also finds that the funds generated from the fee will ensure that hospitals continue operations, help address budget constraints in the Medicaid



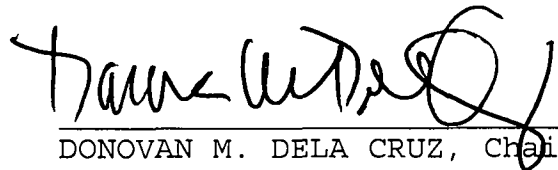
program, and provide necessary funds that will help cover the program's budget shortfall without using moneys from the State's general fund.

Your Committee has amended this measure by:

- (1) Clarifying that children's hospitals, psychiatric hospitals, and rehabilitation hospitals may be assessed hospital sustainability fees at a different rate than other private hospitals;
- (2) Correcting language in a reference to section 346G-4(c), Hawaii Revised Statutes; and
- (3) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 819, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 819, S.D. 2.

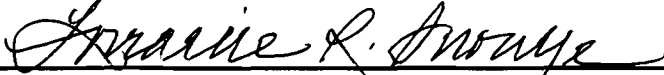
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 819, SD 1	HMS/HTH, WAM	2-19-2021		
<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
DELA CRUZ, Donovan M. (C)	✓			
KEITH-AGARAN, Gilbert S.C. (VC)	✓			
ENGLISH, J. Kalani	✓			
INOUYE, Lorraine R.	✓			
KANUHA, Dru Mamo	✓			
KIDANI, Michelle N.	✓			
MORIWAKI, Sharon Y.	✓			
SHIMABUKURO, Maile S.L.	✓			
TANIGUCHI, Brian T.	✓			
WAKAI, Glenn	✓			
FEVELLA, Kurt	✓			
TOTAL	//			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes