

Honolulu, Hawaii

MAY 02 2023

RE: S.B. No. 404
S.D. 2
H.D. 2
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 404, S.D. 2, H.D. 2, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Make various updates to the Hospital Sustainability Program, including:
 - (A) Amending the definition of "private hospital";
 - (B) Clarifying the uses of the Hospital Sustainability Program Special Fund;
 - (C) Increasing various hospital sustainability fee caps;



- (D) Requiring the Department of Human Services to consult and negotiate with the hospital trade association regarding fee participation and rates; and
 - (E) Clarifying when the hospital sustainability fee shall be discontinued and the method by which any remaining moneys in the Hospital Sustainability Program Special Fund shall be distributed;
- (2) Repeal the sunset dates of Act 217, Session Laws of Hawaii 2012, and Act 123, Session Laws of Hawaii 2014, to make the program permanent and permanently exempt the program from the central service and administrative expenses assessments; and
 - (3) Appropriate funds out of the Hospital Sustainability Program Special Fund for the purposes of the Hospital Sustainability Program.

Your Committee on Conference finds that the Hospital Sustainability Program and Hospital Sustainability Program Special Fund, established in 2012, have played a major role in protecting hospital access for Medicaid beneficiaries by assessing hospital sustainability fees on the hospitals, using the fee revenues to obtain matching federal funds, and returning more moneys to the hospitals than were assessed in fees, which are then used to supplement the cost of providing services for Medicaid recipients. Your Committee on Conference further finds that the Hospital Sustainability Program is scheduled to be repealed on December 31, 2023, with funding provisions scheduled to be repealed on June 30, 2024. This measure will enhance and make the program permanent, thereby preserving and improving access to quality health care for Medicaid recipients in the State.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$173,000,000 out of the Hospital Sustainability Program Special Fund for fiscal year 2023-2024 and the same sum for fiscal year 2024-2025 for the Hospital Sustainability Program;
- (2) Making it effective upon approval; provided that the appropriation shall take effect on July 1, 2023; and




- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 404, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 404, S.D. 2, H.D. 2, C.D. 1.


Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



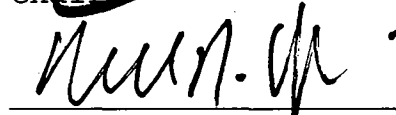
JOHN M. MIZUNO
Co-Chair




JOY R. SAN BUENAVENTURA
Chair



DELLA AU BELATTI
Co-Chair



LORRAINE R. INOUYE
Co-Chair



DEE MORIKAWA
Co-Chair



Record of Votes of a Conference Committee

| | |
|--|-------------------------------|
| Bill / Concurrent Resolution No.: SB 404, SD 2, HD 2 | Date/Time: 4/28/23 4:50 pm |
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure


The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.


| Senate Managers | A | WR | N | E | House Managers | A | WR | N | E |
|--------------------------------|---|----|---|---|----------------------------|---|----|---|---|
| SAN BUENAVENTURA, Joy A., Chr. | / | | | | MIZUNO, John M., Co-Chr. | / | | | |
| INOUYE, Lorraine R., Co-Chr. | / | | | | BELATTI, Della Au, Co-Chr. | / | | | |
| AQUINO, Henry J.C. | / | | | | MORIKAWA, Dee, Co-Chr. | / | | | |
| | | | | | AMATO, Terez | / | | | |
| | | | | | GARCIA, Diamond | / | | | |
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| TOTAL | 3 | | | | TOTAL | 5 | | | |

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is:
 Adopted Not Adopted

House Recommendation is:
 Adopted Not Adopted

Senate Lead Chair's or Designee's Signature:


House Lead Chair's or Designee's Signature:


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