

STAND. COM. REP. NO.

933

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 404
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 404, 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 expand and make permanent the Hospital Sustainability Program.

Specifically, this measure:

- (1) Repeals the sunset date of the Hospital Sustainability Program;
- (2) Authorizes the Department of Human Services to modify, add, or remove the facilities that are subject to the assessment, under certain conditions;
- (3) Authorizes the Department of Human Services to determine the fee rate of the program;
- (4) Requires managed health care plans to expend all of their increased payments for the purposes of the program;



- (5) Requires that the hospital sustainability fee shall be discontinued if the Department of Human Services reduces certain reimbursement rates; and
- (6) Appropriates \$200,000,000 to the hospital sustainability program special fund.

Your Committee received written comments in support of this measure from the Hawaii Primary Care Association, Kaiser Permanente, Hawaii Pacific Health, Queen's Health System, Hilo Medical Center, and Palolo Chinese Home.

Your Committee received written comments on this measure from the Department of Human Services and Healthcare Association of Hawaii.

Your Committee finds that the Hospital Sustainability Program has helped to fund hospital services for Medicaid recipients by assessing fees on the hospitals, using the revenue from those fees 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 further finds that making the program permanent will help to ensure the long-term financial sustainability of hospitals in Hawaii.

Your Committee has amended this measure by:

- (1) Requiring the Department of Human Services to pay the hospital sustainability fee within sixty days after the end of the month that the Department imposes the fee;
- (2) Changing the appropriation to an unspecified amount; 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. 404, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 404, S.D. 2.



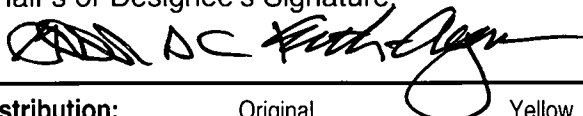
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB404, SDI	Committee Referral: HHS, WAM	Date: 2/22/23		
<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)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13			
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				

*Only one measure per Record of Votes