
HOUSE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY
AND ANALYSIS OF THE ADEQUACY OF PAYMENTS FOR HEALTH CARE
FUNDED BY THE STATE AND THE ADEQUACY OF PAYMENTS FOR HEALTH
CARE USING RATES ESTABLISHED BY THE STATE.

1 WHEREAS, the critical financial condition of hospitals,
2 long-term care facilities, and other health care providers has
3 been well documented recently in a series of articles by Helen
4 Altonn that were published by the Honolulu Star-Bulletin and an
5 article by Rob Perez that was published by the Honolulu
6 Advertiser; and
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8 WHEREAS, these articles made the following points:
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- 10 (1) Patients demand to be diagnosed and treated with the
11 latest technology, which is very expensive;
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13 (2) The need for expensive, institutionalized long-term
14 care is substantial and is expected to grow as "baby
15 boomers" age;
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17 (3) Health care facilities have incurred high costs
18 related to potential terrorist threats and other
19 emergencies;
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21 (4) Providers are receiving insufficient payments for
22 health care from government payers, private insurance
23 payers, and patients who do not have insurance; and
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25 (5) Hawaii's hospitals have incurred more than
26 \$500,000,000 in losses due to bad debt and charity
27 care since 2000;

28 and
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30 WHEREAS, the State pays for a considerable amount of health
31 care and also controls certain types of payments made to health
32 care providers; and



1 WHEREAS, it is in the public interest to ensure that health
2 care payments made with state funds or controlled by the State
3 are sufficient to cover the actual costs of care; now,
4 therefore,

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6 BE IT RESOLVED by the House of Representatives of the
7 Twenty-Third Legislature of the State of Hawaii, Regular Session
8 of 2006, the Senate concurring, that the Legislative Reference
9 Bureau (LRB) is requested to conduct a study of recommended
10 procedures that will ensure that state-funded health care
11 payments adequately reimburse providers who provide services to
12 Medicaid or QUEST recipients, for the actual costs of health
13 care services; and

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15 BE IT FURTHER RESOLVED that the Legislature requests that
16 the study conducted by LRB include:

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18 (1) A review of procedures implemented by other
19 jurisdictions or as recommended by experts to ensure
20 that state-funded health care payments to Medicaid
21 providers adequately reimburse providers for their
22 actual costs;
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24 (2) A comparison of rates for the ten most frequently used
25 Medicaid and QUEST health care services, actual costs
26 of those services, and the amount reimbursed to the
27 provider;
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29 (3) A method of updating payments and reimbursements to
30 health care providers every two years to keep pace
31 with inflation; and
32
33 (4) A survey of nationwide benchmarks to see how Hawaii
34 compares to other jurisdictions regarding provider
35 payments and reimbursements for at least the ten most
36 frequently used Medicaid and QUEST health care
37 services;

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39 and

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41 BE IT FURTHER RESOLVED that LRB is requested to report its
42 findings and recommendations to the Legislature no later than 20
43 days prior to the convening of the Regular Session of 2007; and



1 BE IT FURTHER RESOLVED that certified copies of this
2 concurrent resolution be transmitted to the Governor, Director
3 of Health, Director of Human Services, Insurance Commissioner,
4 the Acting Director of the Legislative Reference Bureau, Chief
5 Executive Officer of the Healthcare Association of Hawaii, and
6 Chief Executive Officer of the Hawaii Medical Association.

