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# SENATE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY OF RECOMMENDED PROCEDURES THAT WILL ENSURE THAT STATE-FUNDED HEALTH CARE PAYMENTS ADEQUATELY REIMBURSE PROVIDERS WHO PROVIDE SERVICES FOR MEDICAID OR QUEST RECIPIENTS FOR THE ACTUAL COSTS OF HEALTH CARE SERVICES.

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 the  
15 "baby 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; and  
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29           WHEREAS, the State pays for a considerable amount of health  
30 care and also controls certain types of payments for health care  
31 made to 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 Senate of the Twenty-Third  
7 Legislature of the State of Hawaii, Regular Session of 2006, the  
8 House of Representatives concurring, that the Legislative  
9 Reference Bureau 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 for  
12 Medicaid or QUEST recipients for the actual costs of health care  
13 services; and  
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15 BE IT FURTHER RESOLVED that the Legislature requests that  
16 the study conducted by the Legislative Reference Bureau include:  
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- 18 (1) Processes implemented by other jurisdictions or as  
19 recommended by experts that try to ensure that state-  
20 funded health care payments to Medicaid providers  
21 adequately reimburse them for their actual costs;  
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- 23 (2) A comparison of rates for the ten most frequently used  
24 services in Medicaid and QUEST health care services,  
25 actual costs of those services, and the amount  
26 reimbursed to the provider;  
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- 28 (3) A method of updating payments and reimbursements to  
29 health care providers every two years to keep pace  
30 with inflation; and  
31
- 32 (4) A survey of nationwide benchmarks to see how Hawaii  
33 compares to other jurisdictions regarding provider  
34 payments and reimbursements for at least the ten most  
35 frequently used Medicaid and QUEST health procedures;  
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37 and  
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39 BE IT FURTHER RESOLVED that the Legislative Reference  
40 Bureau is requested to report findings and recommendations to  
41 the Legislature no later than twenty days prior to the convening  
42 of the Regular Session of 2007; and  
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1 BE IT FURTHER RESOLVED that certified copies of this  
2 concurrent resolution be transmitted to the Governor, the  
3 Director of Health, the Director of Human Services, the  
4 Insurance Commissioner, the Acting Director of the Legislative  
5 Reference Bureau, the Chief Executive Officer of the Healthcare  
6 Association of Hawaii, and the Chief Executive Officer of the  
7 Hawaii Medical Association.

