
SENATE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT TWO STUDIES OF RECOMMENDED PROCEDURES THAT WILL ENSURE THAT STATE-FUNDED HEALTH CARE PAYMENTS ADEQUATELY REIMBURSE PROVIDERS WHO PROVIDE SERVICES FOR MEDICAID OR QUEST RECIPIENTS AND INJURED EMPLOYEES UNDER WORKERS COMPENSATION INSURANCE.

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 Altomn 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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1 WHEREAS, the State pays for a considerable amount of health
2 care and also controls certain types of payments for health care
3 made to providers; and
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5 WHEREAS, it is in the public interest to ensure that health
6 care payments made with state funds or controlled by the State
7 are sufficient to cover the actual costs of care; now,
8 therefore,
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10 BE IT RESOLVED by the Senate of the Twenty-Third
11 Legislature of the State of Hawaii, Regular Session of 2006, the
12 House of Representatives concurring, that the Legislative
13 Reference Bureau is requested to conduct two studies of
14 recommended procedures that will ensure that state-funded health
15 care payments adequately reimburse providers who provide
16 services for, first, Medicaid or QUEST recipients and, second,
17 for injured employees under workers compensation insurance for
18 the actual cost of health care services; and
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20 BE IT FURTHER RESOLVED that the Legislature requests that
21 the first study conducted by the Legislative Reference Bureau
22 include:
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- 24 (1) Processes implemented by other jurisdictions or as
25 recommended by experts that try to ensure that
26 state-funded health care payments to Medicaid
27 providers adequately reimburse them for their actual
28 costs;
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- 30 (2) A comparison of rates for the ten most frequently used
31 services in Medicaid and QUEST health care services,
32 actual costs of those services, and the amount
33 reimbursed to the provider;
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- 35 (3) A method of updating payments and reimbursements to
36 health care providers every two years to keep pace
37 with inflation; and
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- 39 (4) A survey of nationwide benchmarks to see how Hawaii
40 compares to other jurisdictions regarding provider
41 payments and reimbursements for at least the ten most
42 frequently used Medicaid and QUEST health procedures;
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44 and



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2 BE IT FURTHER RESOLVED that the Legislative Reference
3 Bureau is requested to report findings and recommendations as to
4 the first study to the Legislature no later than twenty days
5 prior to the convening of the Regular Session of 2007; and

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7 BE IT FURTHER RESOLVED that the Legislature requests that
8 the second study conducted by the Legislative Reference Bureau
9 include:

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11 (1) Processes implemented by other jurisdictions or as
12 recommended by experts that try to ensure that
13 state-funded health care payments to worker
14 compensation providers adequately reimburse them for
15 their actual costs;
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17 (2) A comparison of rates for the ten most frequently used
18 services in worker compensation services, actual costs
19 of those services, and the amount reimbursed to the
20 provider;
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22 (3) A method of updating payments and reimbursements to
23 health care providers every two years to keep pace
24 with inflation; and
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26 (4) A survey of nationwide benchmarks to see how Hawaii
27 compares to other jurisdictions regarding provider
28 payments and reimbursements for at least the ten most
29 frequently used worker compensation health procedures;

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31 and

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33 BE IT FURTHER RESOLVED that the Legislative Reference
34 Bureau is requested to report findings and recommendations as to
35 the second study to the Legislature no later than twenty days
36 prior to the convening of the Regular Session of 2008; and

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38 BE IT FURTHER RESOLVED that certified copies of this
39 concurrent resolution be transmitted to the Governor, the
40 Director of Health, the Director of Human Services, the
41 Insurance Commissioner, the Department of Labor and Industrial
42 Relations, the Acting Director of the Legislative Reference
43 Bureau, the Chief Executive Officer of the Healthcare



1 Association of Hawaii, and the Chief Executive Officer of the
3 Hawaii Medical Association.

