

STAND. COM. REP. NO. 1442-06

Honolulu, Hawaii

April 15, 2006

RE: H.C.R. No. 95
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Health,
to which was referred H.C.R. No. 95 entitled:

"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,"

beg leave to report as follows:

The purpose of this concurrent resolution is to address the
financial crisis of Hawaii's health care providers by requesting
the Legislative Reference Bureau (LRB) to analyze whether health
care payments made with state funds or at rates controlled by the
State are sufficient to cover the actual costs of care.

The Hawaii Business Roundtable, Hawaii Long Term Care
Association, Hawaii Pacific Health, Healthcare Association of
Hawaii, and Kaiser Permanente supported this measure. LRB
submitted comments.

Your Committees find that the State, as a major player in
Hawaii's health care market, should be informed about the effects
of its payment policies on the financial status of health care
providers.

HCR95 HD1 HSCR CPC-HLT HMS 2006-3285



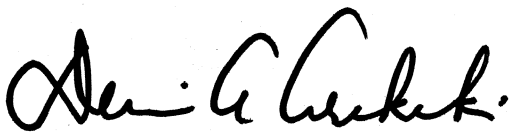
Your Committees have amended this concurrent resolution as suggested by LRB by narrowing the scope of the requested study to more manageable and result-oriented proportions.

As amended, this concurrent resolution requests LRB to:

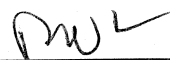
- (1) Study procedures used by other jurisdictions or recommended by experts to ensure adequate reimbursement of Medicaid providers;
- (2) Compare rates for the ten most frequently used Medicaid and QUEST services, with the actual costs of the services and the amount reimbursed to the provider;
- (3) Provide a method of adjusting payments and reimbursements every two years for inflation; and
- (4) Compare Hawaii with other jurisdictions with regard to provider reimbursement for at least the ten most frequently used Medicaid and QUEST health services.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 95, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 95, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Health,



DENNIS A. ARAKAKI, Chair



ROBERT N. HERKES, Chair



