

Honolulu, Hawaii

APR - 3 2006

RE: S.C.R. No. 77
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.C.R. No. 77
entitled:

"SENATE 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,"

begs leave to report as follows:

The purpose of this measure is to request 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.

Your Committee received testimony in support of this measure
from Kaiser Permanente, the Healthcare Association of Hawaii, and
the Hawaii Long Term Care Association. The Legislative Reference
Bureau submitted comments in response to this measure.

Your Committee finds that Hawaii's health care infrastructure
is in critical financial condition and is experiencing a severe
shortage of physicians. The Legislative Reference Bureau is a
neutral agency that could appropriately conduct research into
reimbursements and costs affecting health care providers.

Your Committee has adopted the recommendations of the
Legislative Reference Bureau and has amended this measure by



narrowing the scope of the study specifically to providers of Medicaid and QUEST recipients.

Your Committee further amended this measure by requesting that the study include:

- (1) Processes implemented by other jurisdictions or as recommended by experts that try to ensure that state-funded health care payments to Medicaid providers adequately reimburse them for their actual costs;
- (2) A comparison of rates for the ten most frequently used services in Medicaid and QUEST health care services, actual costs of those services, and the amount reimbursed to the provider; and
- (3) A survey of nationwide benchmarks to determine how Hawaii compares to other jurisdictions regarding provider payments and reimbursements for at least the ten most frequently used Medicaid and QUEST health procedures.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 77, as amended herein, and recommends that it be referred to the Committee on Commerce, Consumer Protection, and Housing, in the form attached hereto as S.C.R. No. 77, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Health,



ROSALYN H. BAKER, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Health
(Bills and Resolutions)

Measure:* <i>SCR 77</i>	Committee Referral: <i>HTH, CPH</i>	Date: <i>3/29/06</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <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	Ayes	Ayes(WR)	Nays	Excused
BAKER, Rosalyn H. (C)	✓			
CHUN OAKLAND, Suzanne (VC)	✓			
HANABUSA, Colleen				✓
TSUTSUI, Shan S.				✓
WHALEN, Paul	✓			
TOTAL	<i>3</i>	<i>0</i>	<i>0</i>	✓
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Suzanne Chun Oakland</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.