

STAND. COM. REP. NO. 358

Honolulu, Hawaii
Feb 14, 2007

RE: H.B. No. 1471

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committees on Health and Human Services & Housing, to which was referred H.B. No. 1471 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC HEALTH,"

beg leave to report as follows:

The purpose of this bill is to ensure that the community health care system in Hawaii remains financially viable as the uninsured and underinsured populations continue to grow.

Specifically, this bill:

- (1) Establishes procedures within the Department of Human Services for reconciliation of payments to federally qualified health centers and rural health centers in the State;
- (2) Allows for adjustment of prospective payment system rates for any adjustment in scope of services furnished by federally qualified health centers or rural health centers;
- (3) Makes eligible for prospective payment system reimbursement certain designated services, including visits, provided by federally qualified health centers or rural health centers;
- (4) Sets a deadline for filing reports for final settlement under the procedures for reconciliation of payments;



- (5) Sets a deadline for federally qualified health centers and rural health centers to submit prospective payment system rate adjustment requests; and
- (6) Requires the Department of Health to provide certain designated resources to nonprofit, community-based health care providers for direct medical care for the uninsured and appropriates an unspecified amount for fiscal year 2007-2008 to the Department of Health to provide this direct medical care.

Testimony in support of this bill was submitted by the Waianae Coast Comprehensive Health Center, Hawaii Psychiatric Medical Association, Hawaii Primary Care Association, Hoola Lahui Hawaii, and Waikiki Health Center. The Department of Human Services agreed with the intent of the bill but expressed the opinion that it is unnecessary. The Department of Health commented.

Your Committees find that federally qualified health centers and rural health centers represent the best system of community-based primary care for people who are uninsured, underinsured, or who are medicaid recipients. However, over the years, the ever evolving nature and complexity of services provided, the inadequate procedures by which medicaid payment and changes in the scope of services provided are addressed, and the lack of adequate funding to pay for services for the uninsured have placed a great strain on federally qualified health centers and rural health centers.

Your Committees believe that this bill adequately addresses each of these issues and will ensure that federally qualified health centers and rural health centers in the State will remain financially viable and stable.

As affirmed by the records of votes of the members of your Committees on Health and Human Services & Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1471 and recommend that it pass Second Reading and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services & Housing,



MAILE SHIMABUKURO, Chair



JOSHUA B. GREEN, M.D., Chair



