STAND. COM. REP. NO. 1395

Honolulu, Hawaii
March 23, 2007

RE: S.B. No. 973
S.D. 2
H.D. 1

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 S.B. No. 973, S.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this bill is to ensure continued community-based primary care for people who are uninsured, underinsured, or medicaid recipients by:

(1) Creating a process whereby federally qualified health centers and rural health centers will receive supplemental Medicaid payments;

(2) Providing for prospective payment system rates to be adjusted for any adjustment of the scope of services provided by a participating federally qualified health center or rural health center;

(3) Specifying services that are eligible for a prospective payment system reimbursement;

(4) Specifying a time period for the filing of reports for final settlement and payment for the services provided;

(5) Establishing parameters for the submission of a prospective payment system rate adjustment;

(6) Requiring the Department of Health (DOH) to provide resources to nonprofit, community-based health care providers for direct medical care for the uninsured; and

(7) Appropriating funds for DOH to provide direct medical care to the uninsured through federally qualified community health centers and rural health centers.

The Hawaii Primary Care Association, Healthcare Association of Hawaii, Ho'ola Lahui Hawai'i, Kalihi-Palama Health Center, Moloka'i Community Health Center, Kokua Kalihi Valley, Hamakua Health Center, Inc., Waikiki Health Center, Community Clinic of Maui, West Hawaii Community Health Center, Inc., Waianae Coast Comprehensive Health Center, and several individuals testified in support of this bill. The Department of Human Services (DHS) commented on this measure.

Your Committees have amended this bill by:

(1) Clarifying that reconciliation of payments to a federally qualified health center or rural health center applies to managed care supplemental payments;

(2) Requiring DHS to repay the federal share of any overpayment to a federally qualified health center or rural health center within sixty days of the discovery of an overpayment;

(3) Stipulating that an alternative supplemental managed care payment methodology make any federally qualified health center or rural health center whole as required under the Benefits Improvement and Protection Act;

(4) Inserting language establishing a method of calculating a net change in the federally qualified health center's or rural health center's rate;

(5) Allowing DHS to disallow a percentage of the net change to account for cost increases and decreases during a reporting period rather than basing this percentage on costs increases associated with normal inflation increases;

(6) Stipulating that changes in operating costs due to capital expenditures associated with any modification of the scope of service that results in a change in the amount, duration, or scope of service shall be deemed as a change in the scope of services provided by a federally qualified or rural health center;

(7) Allowing services eligible for prospective payment system reimbursement that are within the scope of services provided by the State under its fee-for-service Medicaid program and its health QUEST program to be adjusted from time to time;

(8) Defining "visit" to mean any encounter between a federally qualified health center or rural health center patient and a health professional as identified in the State Plan as amended from time to time;

(9) Eliminating a visit to an optometrist as a visit that qualifies as a multiple health care encounter;

(10) Specifying that if a patient visits two health professionals on the same day that results in additional diagnosis or treatment, the two visits constitute two separate visits and may be billed as such on two separate claims with remarks on both claims explaining the reason for both visits;

(11) Stipulating that all payments owed by DHS be made on a timely basis rather than in a specific time period;

(12) Deleting the exemption provided to DHS regarding the reimbursement of services that do not qualify for Medicare matching funds or reimbursements;

(13) Appropriating funds for the implementation of a prospective payment system by DHS;

(14) Changing the effective date to July 1, 2007; and

(15) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 973, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 973, S.D. 2, H.D. 1, 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

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State of Hawaii
House of Representatives
The Twenty-fourth Legislature

Record of Votes of the Committee on Health

Bill/Resolution No.: SB 973 SD2	Date: 3-13-07
Committee Referral: HLT/HSH, FIN	☐ The committee is reconsidering its previous decision on the measure.

The recommendation is to: ☐ Pass, unamended ☒ Pass, with amendments ☐ Hold ☐ Pass, with amendments, for recommittal for further consideration

HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. GREEN, Josh, M.D. (C)	✓			
2. MIZUNO, John (VC)	✓			
3. BELATTI, Della Au	✓			
4. BERTRAM, Joe, III	✓			
5. CABANILLA, Rida T.R.				✓
6. RHOADS, Karl	✓			
7. SHIMABUKURO, Maile S. L.	✓			
8. TAKAI, K. Mark				✓
9. TOKIOKA, James Kunane	✓			
10. AWANA, Karen Leinani	✓			
11. WARD, Gene, Ph.D.	✓			
TOTAL	9			2

The recommendation is: ☒ Adopted ☐ Not Adopted

If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: John M. Mizuno

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HSCR 1395

State of Hawaii
House of Representatives
The Twenty-fourth Legislature

Record of Votes of the Committee on Human Services & Housing

Bill/Resolution No.: SB 973 SD2	Date: 03/13/07
Committee Referral: HLT / HSH, FIN	❑ The committee is reconsidering its previous decision on the measure.

The recommendation is to: ❑ Pass, unamended ☒ Pass, with amendments ❑ Hold ❑ Pass, with amendments, for recommittal for further consideration

HSH Members	Ayes	Ayes (WR)	Nays	Excused
1. SHIMABUKURO, Maile S. L. (C)	✓			
2. RHOADS, Karl (VC)	✓			
3. BELATTI, Della Au	✓			
4. BERTRAM, Joe, III	✓			
5. CABANILLA, Rida T.R.				✓
6. GREEN, Josh, M.D.	✓			
7. MIZUNO, John	✓			
8. TAKAI, K. Mark				✓
9. TOKIOKA, James Kunane	✓			
10. AWANA, Karen Leinani	✓			
11. WARD, Gene, Ph.D.	✓			
TOTAL	9			2

The recommendation is: ☒ Adopted ❑ Not Adopted

If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature:

Della Au Belatti

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