

STAND. COM. REP. NO.

1905

Honolulu, Hawaii

Aj 15, 2007

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

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 973, S.D. 2, H.D. 1, entitled:

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

begs 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 helping the community health center system to remain financially viable and stable in the face of the increasing needs of this population. Specifically, this bill:

- (1) Creates a process through which community health centers and rural health centers will receive supplemental Medicaid payments and seek modifications to their scope of services;
- (2) Appropriates funds to the Department of Human Services (DHS) to implement the prospective payment system; and
- (3) Appropriates funds to the Department of Health (DOH) to adequately pay for direct medical care to the uninsured.

The Hawaii Primary Care Association, Healthcare Association of Hawaii, Hamakua Health Center, Waimanalo Health Center, West Hawaii Community Health Center, Inc., Community Clinic of Maui, Kalihi-Palama Health Center, Waikiki Health Center, Kokua Kalihi

SB973 HD2 HSCR FIN HMS 2007-3647



Valley, Waianae Coast Comprehensive Health Center, and several concerned individuals testified in support of this bill. DOH and DHS offered comments.

Your Committee has amended this bill by, among other things:

- (1) Allowing, rather than requiring, the reconciliation of managed care supplemental payments to a federally qualified health center or rural health center to be made according to specific procedures;
- (2) Allowing, rather than requiring, DHS to agree to the projected adjusted rate proposed by the federally qualified health center or rural health center;
- (3) Allowing, rather than requiring, the prospective payment system rate to be adjusted following a review of the fiscal agent of the cost reports and documentation;
- (4) Allowing, rather than requiring, Medicaid to pay for a maximum of one visit per day for services such as dental or behavioral health in addition to one medical visit;
- (5) Allowing, rather than requiring, DOH to provide resources to nonprofit, community-based health care providers for direct medical care to the uninsured;
- (6) Changing the effective date to July 1, 2025, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 973, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 973, S.D. 2, H.D. 2.



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

A handwritten signature in black ink, appearing to read 'M. R. Oshiro', written over a horizontal line.

MARCUS R. OSHIRO, Chair



