

STAND. COM. REP. NO.

946

Honolulu, Hawaii

MAR 02 2007

RE: S.B. No. 1678
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1678, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL REIMBURSEMENT,"

begs leave to report as follows:

The purpose of this measure is to provide adequate reimbursement to health care providers in Hawaii.

Specifically, this measure requires that, beginning on January 1, 2008, each:

- (1) Participating medical services provider within the network of a mutual benefit society;
- (2) Licensed hospital or nursing facility, excluding emergency room services; and
- (3) Health maintenance organization,

shall be reimbursed for the provision of medical services to patients, regardless of whether a patient is a participant in a medicaid program, at a rate not less than one hundred per cent of the medicare reimbursement amount that is in effect for the current year and updated for each calendar year thereafter. This measure also provides a mechanism for annual adjustment of rates for inflation. Finally, this measure appropriates an unspecified amount to the Department of Human Services to cover increases in reimbursement payments.

SB1678 SD2 SSCR LRB 07-3267.doc



Your Committee received comments in support of this measure from the Chamber of Commerce of Hawaii, the Healthcare Association of Hawaii, and Hawaii Pacific Health. Comments in opposition were received from the Hawaii Medical Services Association. The Department of Human Services offered comments.

Upon further consideration, your Committee has amended this measure by:

- (1) Clarifying, in section 2 creating a new section 346- , Hawaii Revised Statutes, that the reimbursement for each hospital or nursing facility licensed by the State shall be at a rate "not less than" one hundred ten per cent of the Medicare reimbursement amount, for the purpose of consistency with sections 1, 3, and 4;
- (2) Adding, throughout the measure, that reimbursements shall be "on all medicare codes" for the provision of medical services;
- (3) Adding a requirement for the Department of Human Services to report annually to the Legislature regarding adjustments to rates under the Medicaid fee schedule;
- (4) Changing the effective date to July 1, 2007, and thus also deleting the unnecessary provision that the appropriation made in section 6 shall take effect on July 1, 2007; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1678, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1678, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,




ROSALYN H. BAKER, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 1678 SD1	Committee Referral: HTH / CPH / WAM	Date: 2/26/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <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	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
KIM, Donna Mercado	/			
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
WHALEN, Paul				/
TOTAL	10	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes