

Honolulu, Hawaii

FEB 14 2008

RE: S.B. No. 2858
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committees on Health and Human Services and Public Housing, to which was referred S.B. No. 2858 entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID,"

beg leave to report as follows:

The purpose of this measure is to ensure that the community health center system remains financially viable and stable in the face of the increasing needs of the population of uninsured and underinsured residents.

Specifically, this measure establishes a process that enables community health centers and rural health clinics to receive supplemental Medicaid payments and seek modifications to their scope of services.

Your Committees received testimony in support of this measure from the Hawai'i Primary Care Association; Ho'ola Lahui Hawai'i; the Community Clinic of Maui; Hamakua Health Center, Inc.; the Bay Clinic, Inc.; West Hawaii Community Health Center, Inc.; Moloka'i Community Health Center; Kokua Kalihi Valley; Waianae Coast Comprehensive Health Center; Waikiki Health Center; Kalihi-Palama Health Center; the Waimanalo Health Center; and seven individuals. The Department of Health and the Department of Human Services submitted testimony with comments on this measure.

Your Committees find that federally qualified health centers and rural health clinics are essential components of Hawaii's health care system. Two of the most important sources of



operating revenues for these community health centers are the Med-QUEST program and subsidies for care for the uninsured. These revenue sources continue to provide inadequate funding and reimbursements that are more than a year overdue, causing the much needed community health centers to be financially unstable and putting the public's health at risk.

Your Committees amended this measure by:

- (1) Deleting its contents and inserting language that will make the State federally compliant with all established deadlines;
- (2) Inserting language that simplifies the process by which federally qualified health centers and rural health clinics receive supplemental Medicaid payments and authorizes the prospective payment system rates to be adjusted for changes in the scope of services furnished by participating federally qualified health centers and rural health clinics; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2858, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2858, S.D. 1, and be referred to the Committee on Ways and Means.

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



SUZANNE CHUN OAKLAND, Chair


DAVID Y. IGE, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* SB 2858	Committee Referral: HTH / HSP, WAM	Date: 02-06-08		
<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
IGE, David Y. (C)	✓			
FUKUNAGA, Carol (VC)	✓			
BAKER, Rosalyn H.	✓			
MENOR, Ron	✓			
WHALEN, Paul	✓			
TOTAL	5			0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Human Services and Public Housing
HSP

Bill / Resolution No.:* <i>SB 2858</i>	Committee Referral: <i>HTH/HSP, WAM</i>	Date: <i>2/6/08</i>
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The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
HOOSER, Gary L.				✓
SAKAMOTO, Norman	✓			
HEMMINGS, Fred				✓
TOTAL	<i>3</i>	<i>0</i>	<i>0</i>	<i>2</i>

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: *[Handwritten Signature]*

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