

STAND. COM. REP. NO. **646**

Honolulu, Hawaii

MAR - 6 2009

RE: S.B. No. 1140
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1140, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to require health plans, other than government payors and limited benefit health insurance policy insurers, to reimburse critical access hospitals and federally qualified health centers at rates consistent with medicare and medicaid reimbursement rates.

Your Committee received two comments on this measure. Copies of written comments submitted to the Committee are available for review on the Legislature's website.

Your Committee finds that critical access hospitals and federally qualified health centers that serve the economically disadvantaged play a critical role in the State's health care system. Low reimbursement health care rates, however, have caused financial problems for all health care systems, especially those that serve the poor.

Currently, government is subsidizing the costs of healthcare services for the disadvantaged because health insurance plans in Hawaii are not paying for the full costs of health care provided to plan beneficiaries. Unless the State continues to provide special subsidies to cover the operating costs of critical access



hospitals and federally qualified health centers, these health care providers will cease to exist.

This measure requires commercial health care providers to pay not less than one hundred and one per cent of costs, consistent with medicare and medicaid reimbursement rates, for all services rendered to applicable health plan beneficiaries.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on this issue and by making technical nonsubstantive amendments for the purposes of clarity 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. 1140, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1140, S.D. 2.

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

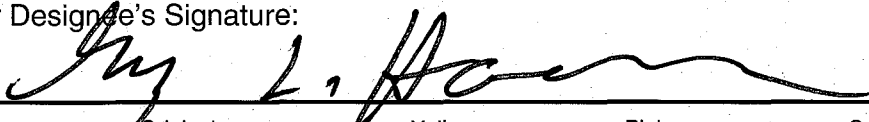


DONNA MERCADO KIM, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 1140, SD1	Committee Referral: HTH/CPN, WAM	Date: FEB 27, 2009		
<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
KIM, Donna Mercado (C)	✓			
TSUTSUI, Shan S. (VC)				✓
CHUN OAKLAND, Suzanne	✓			
ENGLISH, J. Kalani	✓			
FUKUNAGA, Carol	✓			
GALUTERIA, Brickwood				✓
HEE, Clayton	✓			
HOOSER, Gary L.	✓			
KIDANI, Michelle N.				✓
KOKUBUN, Russell S.				✓
TOKUDA, Jill N.	✓			
HEMMINGS, Fred			✓	
TOTAL	7		1	4
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