

Honolulu, Hawaii

FEB 18 2009

RE: S.B. No. 417

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

Madam:

Your Committees on Human Services and Health, to which was referred S.B. No. 417 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Provide fair compensation to acute care hospitals for the services they provide to Medicaid patients who have been treated for acute illnesses and injuries, and who have recovered sufficiently so that they may be transferred to long-term care, but for whom long-term care is not available; and
- (2) Provide fair compensation to long-term care facilities for patients with medically complex conditions in acute care hospitals when the patients required levels of care change from acute to long-term,

by establishing reimbursement guidelines for Medicaid to acute care hospitals and facilities with long-term care beds.

The reimbursement guidelines established by the measure require that:

- (1) The Medicaid reimbursement rate to hospitals for patients occupying acute-licensed beds and waitlisted for long-term care shall be equal to the acute medical services payment rate; and



- (2) The Medicaid reimbursement rate to facilities with long-term care beds for patients with medically complex conditions who, prior to admission to the facility were receiving acute care services in an acute care hospital shall be equal to the state subacute care reimbursement rate.

Your Committees received testimony in support of this measure from the Chamber of Commerce of Hawaii, Hawaii Pacific Health, Hawaii Disability Rights Center, Hawaii Long Term Care Association, Kaiser Permanente, AARP Hawaii, and Healthcare Association of Hawaii. Testimony in opposition was received from the Department of Human Services. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that on any given day, there are approximately two hundred patients in acute care hospitals waiting to be transferred to long-term care facilities. Acute care facilities are unable to accept new patients in need of acute levels of care, and, despite the fact that their operational costs remain the same, the acute care facilities are reimbursed at a significantly lower rate for patients eligible for long-term care who occupy their beds. Additionally, long-term care facilities operate at a loss when they accept long-term care patients with medically complex conditions. This deters facilities from expanding their provision of long-term care, and is a contributing factor to the chronic shortage of long-term care beds.

Your Committees therefore find that the establishment of Medicaid reimbursement guidelines as provided by this measure is necessary to promote the movement of waitlisted patients from acute care to long-term care facilities, reduce operational losses that threaten the financial stability of Hawaii's hospitals, and increase the number of facilities providing long-term care for patients who suffer from medically complex conditions.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 417 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.



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

David Y. Ige

DAVID Y. IGE, Chair

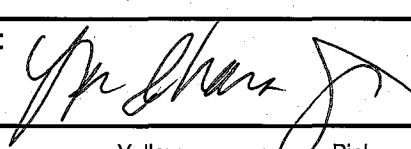
Suzanne Chun Oakland

SUZANNE CHUN OAKLAND, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* SB 417	Committee Referral: HMS/HTH, WAM	Date: 2/10/09		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
GREEN, M.D., Josh				✓
HEMMINGS, Fred	✓			
TOTAL	3	0	0	1
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-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 417	HMS/HTH, WAM	2/10/2009		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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)	✓			
GREEN, M.D., Josh (VC)				✓
BAKER, Rosalyn H.	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.				✓
HEMMINGS, Fred	✓			
TOTAL	4			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>David Y. Ige</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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