

STAND. COM. REP. NO.

514

Honolulu, Hawaii

MAR 03 2011

RE: S.B. No. 1292

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Human Services and Ways and Means, to which was referred S.B. No. 1292 entitled:

"A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES FOR HEALTH CARE PAYMENTS,"

beg leave to report as follows:

The purpose and intent of this measure is to make an emergency appropriation to address a funding shortfall in the Medicaid program.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Medical Service Association, Kaiser Permanente, Healthcare Association of Hawaii, 'Ohana Health Plan, Hawaii Medical Association, Hawai'i Primary Care Association, AlohaCare, and Hawaii Substance Abuse Coalition.

Your Committees find that the number of recipients for the State's health care insurance programs has increased annually by ten to twelve percent for the current and previous two fiscal years. Your Committees further find that during the 2009-2010 fiscal year, the Department of Human Services deferred two months of health plan capitation payments to the current 2010-2011 fiscal year. The current fiscal year's budget does not provide full funding for current year expenditures and those deferred payments.

Your Committees also find that without an emergency appropriation, health plans participating with the Department of Human Services will be required to continue the QUEST and QUEST Expanded Access programs with deferred payments. For some

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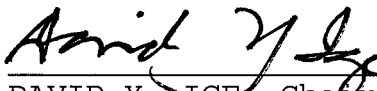
participating plans, this can mean delayed payments to providers, discouraging some providers from providing care to QUEST and QUEST Expanded Access participants, which may disrupt medically necessary services.

Additionally, your Committees find that Hawaii's Federal Medical Assistance Percentage, which sets the federal match for Medicaid funds, will revert from 62.63 percent to 51.79 percent on June 30, 2011. Your Committees note that an appropriation must be made prior to this date, in order for the State to take advantage of the higher federal matching rates.

Accordingly, your Committees believe the emergency appropriations contained in this measure are necessary to ensure continued payments for the Medicaid program without any significant delays, and to also ensure that the State does not lose \$6,000,000 in federal funding because of the reduction in the Federal Medical Assistance Percentage.

As affirmed by the records of votes of the members of your Committees on Human Services and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1292 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

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



DAVID Y. ICE, Chair



SUZANNE CHUN OAKLAND, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* SB 1292	Committee Referral: HMS/WAM	Date: 2/15/11
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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)				✓
GREEN, M.D., Josh	✓			
SLOM, Sam			✓	
TOTAL	2	0	1	1

Recommendation:
 Adopted
 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-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1292	HMS / WAM	2-15-11		
<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)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.				/
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol				/
KIM, Donna Mercado	/			
KAHELE, Gilbert				/
KOUCHI, Ronald D.				/
RYAN, Pohai	/			
TOKUDA, Jill N.	/			
WAKAI, Glenn				/
SLOM, Sam			/	
TOTAL	8	0	1	5
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