

STAND. COM. REP. NO. 1183

Honolulu, Hawaii
March 24, 2011

RE: S.B. No. 787
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Human Services and Health, to which was referred S.B. No. 787, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

beg leave to report as follows:

The purpose of this bill is to increase Medicaid reimbursement rates so that rates for patients:

- (1) Occupying acute care licensed beds who are waitlisted for long-term care are at least equal to the rate paid for acute care services; and
- (2) With medically complex conditions occupying long-term care beds who have been receiving acute care services in an acute care facility are at least equal to the rate paid for subacute care services.

The Queen's Medical Center and Healthcare Association of Hawaii supported this bill. The Department of Human Services opposed this measure.

SB787 HD1 HSCR HUS-HLT HMS 2011-3216



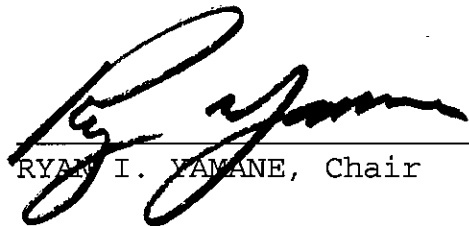
Your Committees acknowledge that testimony from the Healthcare Association of Hawaii points out that a report issued by Ernst & Young in late 2009 reported that Medicaid pays for only 20 to 30 percent of the actual costs of care for waitlisted patients, representing uncompensated hospital costs of approximately \$72.5 million in 2008.

Your Committees have amended this bill by:

- (1) Adding provisions that eliminate barriers and mechanisms that prevent or restrict the flexible use of Medicaid funds to enable reimbursements by Medicaid and its contracted health plans to follow patients transitioning out of acute care to community-based care or private institutions; and
- (2) Making technical, nonsubstantive amendments, for clarity, consistency and style.

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. 787, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 787, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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


RYAN I. YAMANE, Chair


JOHN M. MIZUNO, Chair



