

Honolulu, Hawaii

MAR 23 2012

RE: H.B. No. 1724
H.D. 1
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 1724, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH AND HUMAN SERVICES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Provide Medicaid presumptive eligibility to patients who have been waitlisted for long-term care;
- (2) Require the Department of Human Services to conduct a study of a computerized Medicaid applications system to address inefficiencies and other problems associated with processing Medicaid applications;
- (3) Require the Department of Human Services to submit a series of reports on costs and other issues related to Medicaid presumptive eligibility; and
- (4) Make an appropriation to reimburse certain providers and plans.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii, Healthcare Association of Hawaii, Kaiser Permanente, Papa Ola Lokahi, and United Self Help. Your Committee received testimony in opposition to this measure from the Department of Human Services. Your Committee received



comments on this measure from the Department of the Attorney General.

Your Committee finds that patients who are waitlisted for long-term care are occupying acute care beds in Hawaii's hospitals. The delay in discharging patients who are waitlisted for long-term care ranges from several days to several months and in some cases over a year and costs hospitals millions of dollars. The delay also increases uncompensated costs for hospitals, creates a shortage of acute care beds, and decreases quality of life for patients who no longer need acute care services. Your Committee further finds that the lengthy review and approval process for Medicaid eligibility for waitlisted patients contribute to this delay. This measure will create presumptive Medicaid eligibility for waitlisted patients and alleviate the current problem experienced by hospitals and patients.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2030, to July 1, 2013; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1724, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1724, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,

Suzanne Chun Oakland

SUZANNE CHUN OAKLAND, Chair



