

STAND. COM. REP. NO.

2958

Honolulu, Hawaii

MAR 23 2012

RE: H.B. No. 2274  
H.D. 2  
S.D. 1

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

Sir:

Your Committees on Human Services and Health, to which was referred H.B. No. 2274, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO LONG-TERM CARE FACILITIES,"

beg leave to report as follows:

The purpose and intent of this measure is to ensure access to health care for Medicaid recipients by establishing a nursing facility sustainability fee and special fund in which nursing sustainability fees shall be deposited in order to receive federal Medicaid matching funds under the QUEST Expanded Medicaid Section 1115 Demonstration Waiver.

Your Committees received testimony in support of this measure from the Department of Human Services, Hale Makua Health Services, Hawaii Health Systems Corporation, Hawaii Long Term Care Association, Healthcare Association of Hawaii, and United Self Help. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that Medicaid is a critical component of Hawaii's health care system because it pays for medical care for more than one in five Hawaii residents. However, Medicaid reimbursements to nursing facilities are less than the actual costs facilities incur in providing care to Medicaid patients. On average, Hawaii's Medicaid program pays nursing facilities \$7 to \$8 less than the actual costs of care per patient per day. With Medicaid patients representing seventy percent of all nursing



facility patients, nursing facilities incur substantial losses annually.


Your Committees also find that states commonly use provider assessments to leverage federal funds through Medicaid. This measure would establish a provider fee to allow the State to obtain additional federal matching funds that will reduce the amount of losses incurred by nursing facilities.

Your Committees have amended this measure by:

- (1) Changing the effective date from July 1, 2030, to January 1, 2050, to ensure further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 H.B. No. 2274, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2274, H.D. 2, S.D. 1, 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,



JOSH GREEN, M.D., Chair

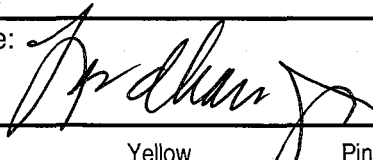


SUZANNE CHUN OAKLAND, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

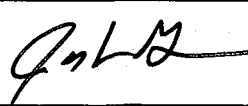
**Record of Votes**  
**Committee on Human Services**  
**HMS**

Bill / Resolution No.:* <b>HB 2274, HD2</b>	Committee Referral: <b>HMS/HTH, WAM</b>	Date: <b>3/21/12</b>		
<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
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
GREEN, M.D., Josh	✓			
SLOM, Sam				✓
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> 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 Health**  
**HTH**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2274, HD2	HMS / HTH, WAM	3-20-12		
<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
GREEN, M.D., Josh (C)	✓			
NISHIHARA, Clarence K. (VC)				✓
BAKER, Rosalyn H.	✓			
CHUN OAKLAND, Suzanne	✓			
SHIMABUKURO, Maile	✓			
WAKAI, Glenn	✓			
SLOM, Sam				✓
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>2</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

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