

STAND. COM. REP. NO. 148-12

Honolulu, Hawaii

Feb 7, 2012

RE: H.B. No. 2275
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Health and Human Services, to which was referred H.B. No. 2275 entitled:

"A BILL FOR AN ACT RELATING TO HOSPITALS,"

beg leave to report as follows:

The purpose of this measure is to ensure access to health care for Medicaid recipients by:

- (1) Establishing a hospital sustainability fee and a special fund to receive moneys from the hospital sustainability fee so that the State may be eligible to receive federal Medicaid matching funds under the QUEST Expanded Medicaid Section 1115 Demonstration Waiver; and
- (2) Requiring the Department of Human Services to charge and collect a provider fee from hospitals on health care items or services provided.

The Healthcare Association of Hawaii, Hawai'i Pacific Health, and two individuals testified in support of this measure. The Department of Human Services, Department of Budget and Finance, Hawaii Health Systems Corporation, and Hawaii Medical Service Association commented on this measure.

HB2275 HD1 HSCR HLT-HUS HMS 2012-1627



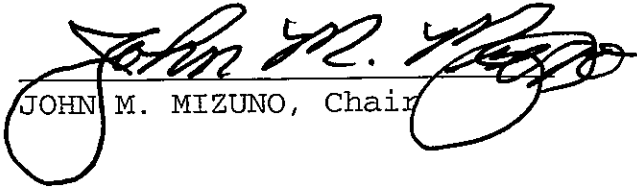
Your Committees have amended this measure by:

- (1) Authorizing the use of the hospital sustainability fee to match federal Uncompensated Care Cost funds if certified public expenditures are not sufficient;
- (2) Clarifying that the hospital sustainability fee shall not exceed three percent of net patient service revenue, as derived from the hospitals' Medicare cost report ending during State Fiscal Year 2010;
- (3) Making the exemption from or reduction in fee obligations for certain hospitals permissive instead of mandatory;
- (4) Requiring hospitals to pay the hospital sustainability fee on a monthly, rather than on a quarterly basis;
- (5) Specifying that a Section 1115 Waiver renewal and approval of contracts between the State and the Medicaid health plans may be necessary in the Department of Human Services seeking a waiver and approvals from the Centers for Medicare and Medicaid Services;
- (6) Specifying that the Healthcare Association of Hawaii is also to receive documentation of the rate enhancement from the QUEST and QUEST Expanded Access plans; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

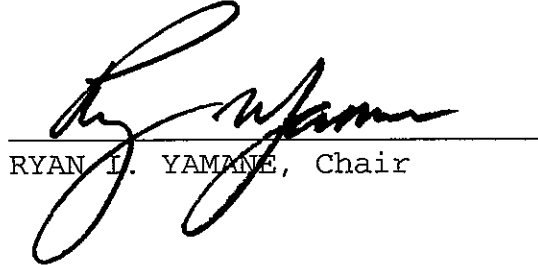
As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2275, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2275, H.D. 1, and be referred to the Committee on Finance.



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



JOHN M. MIZUNO, Chair



RYAN I. YAMANE, Chair



