

Honolulu, Hawaii

FEB 10 2012

RE: S.B. No. 2120

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 S.B. No. 2120 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Provide funding to increase payments for physicians providing services to Medicaid-eligible individuals, including fee-for-service, QUEST physician services, and the QUEST Expanded Access program; and
- (2) Require the Department of Human Services to include in its budget request for each year of the 2013-2015 fiscal biennium a sum at least equal to the sum appropriated for fiscal year 2012-2013, in addition to its baseline Medicaid request.

Your Committee received testimony in support of this measure from the Department of Human Services, The Chamber of Commerce of Hawaii, the Consumer Family & Youth Alliance, the Hawaii Disability Rights Center, the Hawaii Medical Association, the Policy Advisory Board for Elder Affairs, and two individuals.

Your Committee finds that health care providers are not being compensated for essential services at a level sufficient to cover costs, which are annually increasing. Increasing Medicaid reimbursement rates for physicians is important to fairly compensate physicians treating Medicaid-eligible individuals and



will create sufficient incentives to provide the care that these recipients require.

Your Committee has requested the Department of Human Services to provide estimates for the following to provide more context of the seriousness of the issue:

- (1) Estimated costs if the physician reimbursement rate was increased by five percent or ten percent; and
- (2) Estimated cost savings if Medicaid rolls were reduced by five percent or ten percent.

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 S.B. No. 2120 and recommends that it pass Second Reading 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, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* SB 2120	Committee Referral: HMS, WAM	Date: 2-2-12		
<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 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
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
GREEN, M.D., Josh	✓			
SLOM, Sam				✓
TOTAL	3	0	0	1
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