

Honolulu, Hawaii

April 5, 2012

RE: S.B. No. 2466
S.D. 2
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 2466, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

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

Hawaii Healthcare Association, Hawaii Long Term Care Association, and an individual testified in support of this measure. The Department of Human Services, Department of Budget and Finance, and Hawaii Health Systems Corporation commented on this measure.

Your Committee has amended this measure by:

- (1) Deleting the "Medicare resident days" definition;
- (2) Defining the terms "QUEST", "QUEST expanded access", and "Section 1115 waiver";



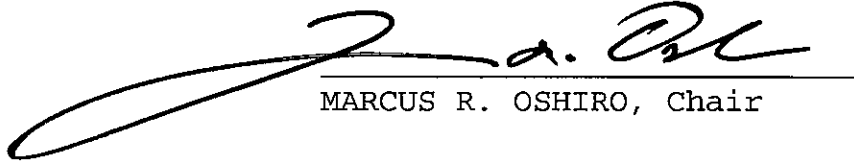
- (3) Deleting as a source of revenues for the Nursing Facility Sustainability Program Special Fund, the federal matching funds received by the Department of Human Services;
- (4) Changing the disbursement schedule of revenues from the nursing facility sustainability fee;
- (5) Deleting the specific percentage amount for which the nursing facility sustainability fee can be used for administrative expenses;
- (6) Deleting the Medicare Part A resident days provision from the nursing facility sustainability fee calculation;
- (7) Changing the conditions with respect to nursing facility providers that are subject to and exempt from the nursing facility sustainability fee;
- (8) Requiring nursing facilities to pay the nursing facility sustainability fee in twelve equal installments;
- (9) Changing the due dates for the payment of the nursing facility sustainability fee;
- (10) Clarifying the federal approval provisions with respect to implementation of the Nursing Facility Sustainability Program;
- (11) Decreasing the penalty amount for failing to pay the nursing facility sustainability fee;
- (12) Deleting the requirement regarding the QUEST and QUEST Expanded Access plans use of the rate enhancement to reimburse nursing facilities based on inpatient use of their QUEST and QUEST Expanded Access enrollees;
- (13) Stipulating that the rate enhancement shall first reimburse the Medicaid share of the assessment to each nursing facility, with the remainder being an equal per diem per Medicaid day to each facility;
- (14) Deleting the authority of the State to modify the categories of facilities exempt from the assessment and the rate adjustment provisions;



- (15) Making the payment of rate enhancements retroactive; and
- (16) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2466, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2466, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



HSCR 1027-12

State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 2466 SD2 HD1	Committee Referral: HLT/HUS, FIN	Date: 3/30/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. CHOY, Isaac W.	✓			
4. CULLEN, Ty	✓			
5. GIUGNI, Heather				✓
6. HAR, Sharon E.	✓			
7. HASHEM, Mark J.	✓			
8. ICHIYAMA, Linda	✓			
9. JORDAN, Jo	✓			
10. KAWAKAMI, Derek S.K.				✓
11. LEE, Chris	✓			
12. MORIKAWA, Dee	✓			
13. TOKIOKA, James Kunane	✓			
14. YAMASHITA, Kyle T.	✓			
15. MARUMOTO, Barbara C.	✓			
16. RIVIERE, Gil	✓			
17. WARD, Gene	✓			
TOTAL (17)	15	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u>Marilyn B Lee</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				