

Honolulu, Hawaii

April 8, 2011

RE: S.B. No. 787
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 787, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this bill is to provide more adequate reimbursement to certain medical facilities that treat Medicaid patients by:

- (1) Requiring Medicaid reimbursements to hospitals for patients who occupy acute care licensed beds and are on a waitlist for a long-term care facility, to be at least equal to the rate paid for acute care services;
- (2) Requiring Medicaid reimbursements to facilities with long-term care beds for patients with medically complex conditions who previously received acute care services in an acute care hospital to be at least equal to the rate paid for subacute care services;
- (3) Appropriating an unspecified amount in general funds to cover increased Medicaid reimbursements; and
- (4) Requiring the elimination of barriers or mechanisms that prevent or restrict the flexible use of Medicaid funds

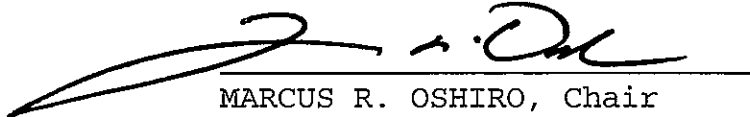


when patients are transitioning between different types of medical and community care facilities.

The Hawaii Disability Rights Center, Healthcare Association of Hawaii, Kaiser Permanente Hawaii, and The Queen's Medical Center supported this bill. The Department of Human Services opposed this measure.

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. 787, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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



MARCUS R. OSHIRO, Chair



