

STAND. COM. REP. NO.

227

Honolulu, Hawaii

FEB 15 2011

RE: S.B. No. 978
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 978 entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID,"

begs leave to report as follows:

The purpose and intent of this measure is to provide funds to establish a new information technology system for determining Medicaid eligibility within the State, and to take advantage of the opportunity presented by the provision of federal funding for this purpose.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawaii Medical Service Association, Healthcare Association of Hawaii, and Hawai'i Primary Care Association.

Your Committee finds that the federal Affordable Care Act requires significant modifications to government health care programs. By January 1, 2014, states must establish a functional health insurance exchange. States are required to use the information from applications submitted through the exchange to determine eligibility for Medicaid. Your Committee also finds that Hawaii's current twenty-three year old information technology system for determining Medicaid eligibility is not capable of performing the functions required by the Affordable Care Act.

Your Committee further finds that numerous states are facing issues presented by antiquated Medicaid-related information

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technology systems. Fortunately, the United States Centers for Medicare and Medicaid Services is expected to make available ninety percent federal matching funds for specific types of eligibility system upgrades. Your Committee additionally finds that providing sufficient funding to the Department of Human Services will enable the State to comply with the Affordable Care Act requirements regarding eligibility screening.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 978, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 978, S.D. 1, 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

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 978	Committee Referral: HMS, WFM	Date: 2-1-11		
<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				✓
TOTAL	3	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>[Signature]</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes