



February 27, 2012 (Agenda #4)

To: Chair Marcus Oshiro and Members,
House Committee on Finance
From: Bob Ogawa, President
Re: HB 2274, HD1, Establishing the Nursing Facility
Sustainability Program Special Fund

LATE TESTIMONY

The Hawaii Long Term Care Association (HLTCA) strongly supports HB 2274, HD1. I will not go into extensive detail on the problems this measure seeks to address. You are all well-familiar with the substantial financial and services challenges that face our State Medicaid system. Long term care facilities, in particular, have been falling into increasingly dire straits just as the leading edge of the Baby Boomer Generation has begun to turn 65. We must act now, or we will find ourselves with a decimated senior care infrastructure at precisely the time when the need for a robust one is the greatest in our history.

Very simply, as is employed in some form or fashion in nearly every other state in the country, this measure proposes a provider fee that will be used to draw down additional federal funds to cope with budget shortfalls, rising healthcare costs and ever-expanding Medicaid rolls. This will enable increased payments to nursing facilities, thus reducing the losses they are presently incurring, preserving access to care for the Medicaid population and helping to ensure sustainability for our long term care system.

Between the HLTCA and the Healthcare Association of Hawaii, we represent all the affiliated nursing facility beds in the State of Hawaii. As such, we present to you a united front in pursuit of the passage of this legislation.

In all candor, this is a work in progress. This is not a simple program to configure or implement. There are a myriad moving parts and variables. However, while the devil may be in the details, we cannot let the details bedevil us into inaction. That is not an option. Part of HLTCA's mission statement says: *How we provide for Hawaii's kupuna, chronically ill and convalescent disabled is a measure of the respect and compassion we have for them . . . a reflection of our dignity as a society.*

Moving this measure forward will indeed reflect our dignity as a society. We cannot let the system fail, because we cannot fail our kupuna. Thank you.