

LATE

ChunOakland2 - Tyrell

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 31, 2012 9:34 AM
To: HMS Testimony
Cc: conniem@halemakua.org
Subject: Testimony for SB2466 on 1/31/2012 1:15:00 PM

Testimony for HMS 1/31/2012 1:15:00 PM SB2466

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Connie Miller
Organization:
E-mail: conniem@halemakua.org
Submitted on: 1/31/2012

Comments:

Due to decreased Medicaid reimbursements, decreased Medicare reimbursements, and low census, Hale Makua's two nursing homes on Maui are struggling financially. If passed, this sustainability fee will help offset the major financial losses we are projecting for 2012, and could make the difference in keeping our doors open to serve the frail and elderly in the Maui Community. I urge you to support this sustainability program.

LATE

ChunOakland2 - Tyrell

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 31, 2012 9:26 AM
To: HMS Testimony
Cc: robertscottwall@yahoo.com
Subject: Testimony for SB2466 on 1/31/2012 1:15:00 PM

Testimony for HMS 1/31/2012 1:15:00 PM SB2466

Conference room: 016
Testifier position: Support
Testifier will be present: Yes
Submitted by: Scott Wall
Organization: Individual
E-mail: robertscottwall@yahoo.com
Submitted on: 1/31/2012

Comments:



LATE

HALE MAKUA HEALTH SERVICES

1/31/12

To: Members of the Senate Committee on Human Services

Testimony in Support of SB 2466 Relating to Long Term Care Facilities

Aloha Senator Chun Oakland and members of the committee. My name is Tony Krieg, C.E.O. of Hale Makua Health Services a 60 year old non profit healthcare organization which operates two nursing facilities on the Island of Maui. The only other nursing home beds are at Kula Hospital.

Eighty Five percent (85%) Hale Makua's nursing home beds are filled with residents who are paid for by Medicaid. Medicaid does not cover the cost of care and we have received no increase and a recent 3% cut in reimbursement from Medicaid. In 2011 Hale Makua Health Services ended the year with a \$970,000 loss.

Fees from this bill will result in additional federal funds to nursing facilities who have high Medicaid populations to help ameliorate this difficult financial picture. Please pass the bill out of committee. If there are additional questions I can be reached at 808 385-3267 – or tonyk@halemakua.org

From: Healthcare Association of Hawaii [postmaster@hah.org] on behalf of Brenda Whitney [brendawhitney56@gmail.com]
Sent: Monday, January 30, 2012 3:50 PM
To: HMS Testimony
Subject: Supporting SB 2466: Relating to Long-Term Care Facilities

Jan 30, 2012

Email Testimony

Dear Testimony,

Thank you for this opportunity to share my thoughts in support of SB 2466: Relating to Long-Term Care Facilities.

Provider fee programs are used in 46 states and the District of Columbia as a means of drawing down additional federal funds to sustain their Medicaid programs. Hawaii is one of only four states without such a program, at a time when state budget deficits are rising due to increasing health care costs and expanding Medicaid rolls. The implementation of a provider fee in Hawaii could assist in stabilizing declining Medicaid payments to facilities and slow down the erosion of access to care for those beneficiaries served by the program.

Provider fees are not taxes, as they are created voluntarily by different categories of health care providers and are collected only from these providers. These fees are not assessed on other organizations, nor on individuals. Provider fees are used in this limited way to draw down federal funds.

In the past few years, states have increasingly relied on provider fee revenues to fund their Medicaid programs. This growth is a direct result of the downturn in state revenues during the last two recessions. Provider fees have served as the primary vehicle for maintaining and enhancing Medicaid funding during the last two recessions.

In Hawaii a provider fee would increase Medicaid payments at a time when constraints on the State budget have forced a reduction in payments and benefits. The additional federal funds obtained via the fee program would reduce the amount of losses incurred by hospitals and long term care facilities. As such, the provider fee would help to preserve access to health care for the Medicaid population and to preserve our health care system.

This bill creates a provider fee for nursing facilities. Another bill being considered by the Legislature creates a separate provider fee for hospitals.

Besides helping existing SNFs, the Nursing Facility Sustainability Program could enhance the creation of new long term care facilities.

For example, the Hawaii Medical Center East facility, will likely be repurposed as a nursing facility. A substantial proportion of its residents are expected to be Medicaid enrollees since Medicaid enrollees represent about 70% of the total population of all Hawaii nursing homes. However, nursing facilities are losing \$7 to \$8 per day on each Medicaid resident. If a provider fee program were implemented in the manner supported by the Healthcare Association, Medicaid payments would be increased to a level that is close to the actual cost of care. This increase would make the Hawaii Medical Center East facility more attractive to a potential purchaser.

For the foregoing reasons, I support SB 2466.

The Healthcare Association of Hawaii is proposing amendments to the bill, and I agree with those amendments.

Sincerely,

Ms. Brenda Whitney
1835 Makiki St
Honolulu, HI 96822-3247
(808) 285-1478



January 31, 2012

To: Chair Suzanne Chun Oakland and Members
Senate Committee on Human Services
From: Bob Ogawa, President
Re: SB 2466, Establishing the Nursing Facility Sustainability
Program Special Fund

The Hawaii Long Term Care Association (HLTCA) strongly supports SB 2466. 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.

The HLTCA membership comprises 33 facilities with a total of 3,200+ beds, including 1,750 skilled nursing beds. Between the HLTCA and the Healthcare Association of Hawaii, we represent basically all the 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.



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

January 31, 2012

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2466 - RELATING TO LONG-TERM CARE FACILITIES**

Hearing: Tuesday, January 31, 2012; 1:15 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of the bill is to establish the Nursing Facility Sustainability Program special fund into which nursing facility sustainability fees shall be deposited and requires the department of human services to charge and collect a provider fee on health care items or services provided by nursing facilities.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports increasing the sustainability of the long-term care services delivery system. The DHS will continue to review the technical proposal.

Provider fees have been widely implemented nationally but are now being increasingly scrutinized by the Centers for Medicare & Medicaid Services (CMS). Preliminarily, this bill raises some concerns about the likelihood of federal approval. Initial concerns include the lack of explicitness regarding who has the authority to set the assessment rate, misunderstanding of the relationship between approval of fee-for-service fee schedule changes and changes in contracted

capitation rates, and the separate rate enhancement and how the enhancement will be paid to providers.

This bill, as drafted, would also prohibit use of the received fees to increase reimbursement for services provided to non-pregnant adult migrants because they are not eligible for federal match. This is also of concern to DHS.

In addition, the DHS does not have the resources or infrastructure to make assessments of total revenue, including non-Medicaid, and collect provider fees. DHS can receive the fees, but should not be assessing, charging, or collecting them.

Lastly, in the context of the recently released report from the Long Term Care Commission (LTCC), there are many unmet long-term needs in Hawaii. The enhanced revenue from this measure provides the opportunity to more effectively address the broader long-term care needs, such as by implementing recommendations of the LTCC, as well as increasing reimbursement for providers.

Provider assessments are commonly used to generate revenue for a state by leveraging federal funds through Medicaid. Some of the funding is used to increase provider reimbursement, but the funding can be used for any purpose. For example, if \$100 is assessed, the State could keep \$50 for itself and use the other \$50 to increase Medicaid provider reimbursement which would bring in an additional \$50 in federal match. Under this scenario, the provider receives an increased payment of \$100 relative to the \$100 assessed and breaks even; the state makes \$50. Conversely, the same assessed \$100 could be used entirely to increase reimbursement to providers, receive \$100 in matching federal funds and result in \$200 being paid to providers relative to the \$100 assessed for a net gain of \$100.

Thank you for the opportunity to testify on this bill.

LATE

1/31
11:36 AM
HMS

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 31, 2012 11:36 AM
To: HMS Testimony
Cc: joycet@halemakua.org
Subject: Testimony for SB2466 on 1/31/2012 1:15:00 PM
Attachments: Provider Fee Testimony.doc

Categories: Red Category

Testimony for HMS 1/31/2012 1:15:00 PM SB2466

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Joyce Tamori
Organization: Hale Makua Health Services
E-mail: joycet@halemakua.org
Submitted on: 1/31/2012

Comments:

The Long-Term Care Sustainability Program provider fee program is currently common practice in 46 states plus the District of Columbia. With the recent economic downturn, many State Medicaid programs have reduced reimbursements to providers or amended their benefit/eligibility structures. The provider fee program is a way to maintain or improve Medicaid margins for healthcare providers at a time when insufficient general funds are available to do so. This will increase reimbursements to facilities or minimize further decreases, thereby helping to keep facilities from closing. Hale Makua Health Services receives Medicaid reimbursement for 80% of its residents, and recent reductions to reimbursement rates have contributed to the organizations projected \$1.7 million loss in 2012. The provider fee program will help Hale Makua Health Services generate additional revenues to alleviate its losses and to allow it to continue providing essential healthcare for Maui's community.

LATE .1/31
11:5pm

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 31, 2012 11:28 AM
To: HMS Testimony
Cc: tedt@halemakua.org
Subject: Testimony for SB2466 on 1/31/2012 1:15:00 PM

Categories: Red Category

Testimony for HMS 1/31/2012 1:15:00 PM SB2466

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Ted Tucker
Organization: Individual
E-mail: tedt@halemakua.org
Submitted on: 1/31/2012

Comments:

The Long-Term Care Sustainability Program provider fee program is currently common practice in 46 states plus the District of Columbia. With the recent economic downturn, many State Medicaid programs have reduced reimbursements to providers or amended their benefit/eligibility structures. The provider fee program is a way to maintain or improve Medicaid margins for healthcare providers at a time when insufficient general funds are available to do so. This will increase reimbursements to facilities or minimize further decreases, thereby helping to keep facilities from closing. Hale Makua Health Services receives Medicaid reimbursement for 80% of its residents, and recent reductions to reimbursement rates have contributed to the organizations projected \$1.7 million loss in 2012. The provider fee program will help Hale Makua Health Services to continue providing essential healthcare for Maui's community.

LATE 1/31
1:15 PM

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 31, 2012 4:06 PM
To: HMS Testimony
Cc: deniseawong@gmail.com
Subject: Testimony for SB2466 on 1/31/2012 1:15:00 PM
Attachments: Provider Fee Testimony - DT.doc

Categories: Red Category

Testimony for HMS 1/31/2012 1:15:00 PM SB2466

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Denise Thayer
Organization: Individual
E-mail: deniseawong@gmail.com
Submitted on: 1/31/2012

Comments:

The Long-Term Care Sustainability Program provider fee program is currently common practice in 46 states plus the District of Columbia. With the recent economic downturn, many State Medicaid programs have reduced reimbursements to providers or amended their benefit/eligibility structures. The provider fee program is a way to maintain or improve Medicaid margins for healthcare providers at a time when insufficient general funds are available to do so. This will increase reimbursements to facilities or minimize further decreases, thereby helping to keep facilities from closing. The organization that I work at receives Medicaid reimbursement for 80% of its residents, and recent reductions to reimbursement rates have contributed to the organizations projected \$1.7 million loss in 2012. The provider fee program will help my organization to continue providing essential healthcare for Maui's community, and employ over 450 people.