

Honolulu, Hawaii

FEB 07 2013

RE: S.B. No. 1103

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Human Services, to which was referred S.B. No. 1103 entitled:

"A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN SERVICES FROM THE NURSING FACILITY SUSTAINABILITY PROGRAM SPECIAL FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to make an emergency appropriation of \$12,000,000 for fiscal year 2012-2013 out of the nursing facility sustainability program special fund to be used in accordance with the purposes of the nursing facility sustainability program special fund, including the reimbursement of monies advanced for those purposes in fiscal year 2012-2013 from the health care payments program.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawaii Long Term Care Association, and Healthcare Association of Hawaii.

Your Committee finds that the nursing facility sustainability program was established through Act 156, Session Laws of Hawaii 2012. The program allows the Department of Human Services to assess fees on nursing facilities and utilize monies received to draw down federal dollars for supplemental payments to the nursing facilities to help offset their uncompensated care.

Your Committee further finds that the Department of Human Services has used monies out of Medicaid's health care payments program to make the supplemental payments so that payments to



nursing facilities would not be delayed. Without the authorization to expend monies out of the nursing facility sustainability program special fund, the Department of Human Services will not be able to continue making supplemental payments to nursing facilities and will face a shortfall for the monies it advanced in good faith and in the spirit of the intent of Act 156, Session Laws of Hawaii 2012.

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. 1103 and recommends that it pass Second Reading 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, Chair



