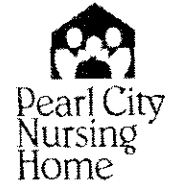


LATE TESTIMONY



919 Lehua Ave., Pearl City, HI 96782
Telephone: 808-453-1919

HOUSE COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair

February 13, 2013

Supporting HB 872: Making an Emergency Appropriation to the Department of Human Services from the Nursing Facility Sustainability Program Special Fund.

Pearl City Nursing Home is a 122 bed Nursing Facility in operations since 1995, caring and partnering with families of frail and older adults of our community.

The Legislature enacted Act 156 in 2012, the Nursing Facility Sustainability Program. This program assesses a fee on nursing facilities, and using the revenue to obtain matching federal Medicaid funds, and returning a majority of the combined amount directly to nursing facilities. Payment by nursing facilities is based on Medicaid utilization, which varies for every facility, resulting in fees and payments differing among the nursing facilities. This bill ensures Medicaid enrollees to have access to institutional long term care with the hope to return home or a community setting.

HB 872 corrects and restores the money that was used for the program from another fund into the Special Fund, which was originally intended.

The Nursing Facility Sustainability Program is successful and reflects the collaborative effort to ensure access and quality care for our frail and older adult citizens.

Thank you, for the opportunity to testify in support of HB 872.

Respectfully Submitted
Bernadette Ledesma
Administrator

LATE TESTIMONY



HALE MAKUA HEALTH SERVICES

HOUSE COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair

RE: **Support of H.B. 872: Making and Emergency Appropriation to the Department of Human Services from the Nursing Facility Sustainability Program Special Fund**

February 13, 2013 at 2 p.m.
Conference Room 308

Aloha Chair Luke and Members of the House Finance Committee;

Aloha my name is Tony Krieg, C.E.O. of Hale Makua Health Services on Maui. We operate the only free-standing nursing homes on Maui with 344 beds. On average over the course of 2012, 80% of both of Hale Makua nursing home residents had Medicaid as their payer. Medicaid reimbursements are less than our cost of providing care. The Nursing Facility Sustainability Program helps to rectify that situation by assessing a fee on nursing facilities, using the revenue to obtain matching federal Medicaid funds, and returning a majority of the combined amount directly to nursing facilities. The State also benefits by keeping a portion of these funds, making this a win-win proposal.

Hawaii's Medicaid population need access to long-term care communities, and the Nursing Facility Sustainability Program supports non-government homes in providing this service. This bill is necessary to reimburse DHS for funds that were used to begin this program.

Thank you for the opportunity to comment and share my support of HB 872



LATE TESTIMONY

February 13, 2013

To: Chair Sylvia Luke and Members
House Committee Finance
From: Bob Ogawa, President
Re: HB 872 – Making an emergency appropriation to
the Department of Human Services from Nursing Facility
Sustainability Program Special Fund

The Hawaii Long Term Care Association (HLTCA) strongly supports HB 872. The passage, enactment and implementation of the Nursing Facility Sustainability Program was one of the most extraordinary examples of public-private collaboration and cooperation I have ever experienced. Part of what that involved was the advancement of moneys from the DHS health care payments program (HMS 401) to nursing facilities until payments could be made from the special fund. All of our mainland consultants expressed amazement and admiration that such action was taken. Among them all, they had been involved in nearly every other such program across the Nation. In their experiences and opinions, nowhere else had there ever been or would there ever be such good faith partnership.

Now that CMS approval has been granted and nursing facility fees have begun to be collected (as of January 21, fully retroactive to July 1, 2012), the Department of Human Services is seeking this emergency appropriation to ensure continued timely payments and that there will be no disruption in the provision of medically necessary services to program recipients.

The HLTCA wholeheartedly supports the DHS request and asks your approval of it.
Thank you.



HALE MAKUA HEALTH SERVICES

LATE TESTIMONY

February 13, 2013

HOUSE COMMITTEE ON FINANCE

Representative Sylvia Luke, Chair

Representative Scott Nishimoto, Vice Chair

Representative Aaron Johanson, Vice Chair

RE: **Support of HB 872: Making an Emergency Appropriation to the Department of Human Services from the Nursing Facility Sustainability Program Special Fund.**

February 13, 2013 at 2:00 p.m.

Conference Room 308

As the Chief Financial Officer of Hale Makua Health Services, a provider of health services including two of Maui's nursing homes, I urge you to support HB 872.

Hale Makua Health Services provides care to an average of 235 residents at its Kahului location and 82 residents at its Wailuku location. 76% of our residents are covered by Medicaid at our Kahului location and 88% at our Wailuku location. It has been difficult for our nursing homes to sustain themselves because our Medicaid reimbursements are less than our cost of providing care. At Hale Makua Wailuku, we lose \$24 a day on a Medicaid resident.

The Nursing Facility Sustainability Program helps to temporarily repair our difficult financial situation by assessing a fee on nursing facilities, using the revenue to obtain matching federal Medicaid funds, and returning a majority of the combined amount directly to nursing facilities. The State also benefits by keeping a portion of these funds, making this a win-win proposal.

Hawaii's Medicaid population need access to long-term care communities, and the Nursing Facility Sustainability Program supports non-government homes in providing this service.

Thank you for the opportunity to comment and share my support of HB 872.

Sincerely,

Joyce Tamori
Chief Financial Officer