



LATE

HALE MAKUA HEALTH SERVICES

February 13, 2013

SENATE COMMITTEE ON WAYS AND MEANS

Senator David Ige, Chair

RE: **Support of SB 1237 SD 1: Relating to Long-Term Care Facilities**

February 14, 2013 at 9:00 a.m.

Conference Room 211

As the C.E.O. of Hale Makua Health Services, a provider of health services including two of Maui's nursing homes, I urge you to support SB 1237.

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 SB 1237.

Sincerely,

Tony Krieg, M.P.H.
C.E.O.



LATE

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

SENATE COMMITTEE ON WAYS AND MEANS
Senator David Ige, Chair

February 14, 2013

Supporting SB 1237 SD 1: Relating to Long –Term Care Facilities

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.

With deep budget cuts from Medicare, Medicaid, Health Plans, the impact of the Affordable Care Act, and increasing older adults health needs, nursing facilities are all too familiar with the cliff's edge. The Legislature enacted Act 156 in 2012, the Nursing Facility Sustainability Program. Participating nursing facilities are assessed a fee based on Medicaid utilization, which varies among the facilities, resulting in differing fees and payments. The revenue is used to obtain matching federal Medicaid funds, and returning a majority of the combined amount directly to nursing facilities. This bill ensures Medicaid enrollees to have access to institutional long-term care.

This bill has been well accepted and is the result of a collaborative effort with DHS, Healthcare Association of Hawaii and Hawaii Long Term Care Association and strives to benefit the frail and older adult citizens and their families.

Thank you for this opportunity to testify in support of SB 1237 SD1, which extends its sunset for one year, to June 30, 2014.

Respectfully Submitted,
Bernadette Ledesma
Administrator