
HOUSE CONCURRENT RESOLUTION

REQUESTING THE DIRECTOR OF HUMAN SERVICES TO REBASE THE BASIC PROSPECTIVE PAYMENT SYSTEM RATES FOR INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES THAT SERVE MEDICAID RECIPIENTS TO BE EFFECTIVE JULY 1, 2015, AND THE DIRECTOR OF HEALTH TO INCLUDE SUFFICIENT FUNDING TO COVER ANY INCREASE IN BASIC PAYMENT SYSTEM RATES RESULTING FROM REBASING IN ITS 2015-2017 BIENNIUM BUDGET.

1 WHEREAS, according to the Hawaii State Council on
2 Developmental Disabilities, approximately 21,500 people in
3 Hawaii have a developmental disability and will require life-
4 long supports; and

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6 WHEREAS, the maximum of eighty-two beds in seventeen
7 intermediate care facilities for individuals with intellectual
8 disabilities is an important component in the provision of long-
9 term care for individuals with intellectual disabilities in
10 Hawaii; and

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12 WHEREAS, the current daily cost for intermediate care
13 facilities for individuals with intellectual disabilities is
14 much higher than the amount that Medicaid payment rates cover;
15 and

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17 WHEREAS, rebasing is the process of using a new, more
18 recent cost report to establish Medicaid payment rates; and

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20 WHEREAS, pursuant to administrative rules relating to the
21 establishment of the fee-for-service medical assistance program
22 prospective payment system for long-term care, the Department of
23 Human Services determines the basic prospective payment system
24 rate paid to providers of long-term care in intermediate care
25 facilities for individuals with intellectual disabilities; and

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27 WHEREAS, the current basic prospective payment system rates
28 for intermediate care facilities for individuals with



1 intellectual disabilities were set in the fiscal year 2008
2 rebasing, became effective July 1, 2007, and were based on cost
3 reports from providers for the base fiscal year ending June 30,
4 2005; and

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6 WHEREAS, pursuant to section 17-1739.2-17, Hawaii
7 Administrative Rules, the Department of Human Services is
8 required to perform a rebasing using updated cost report data so
9 that a provider shall not have its basic prospective payment
10 system rates calculated by reference to the same base year for
11 more than eight state fiscal years; and

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13 WHEREAS, mandated inflation adjustments to the basic
14 prospective payment system rate have been suspended since fiscal
15 year 2012, despite section 17-1739.2-14(c), Hawaii
16 Administrative Rules, requiring that cost increases due to
17 inflation be recognized for years when the Department does not
18 perform a rebasing; and

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20 WHEREAS, the Department plans to effect a rebasing of the
21 basic prospective payment system rates for intermediate care
22 facilities for individuals with intellectual disabilities for
23 the fiscal year 2017, to be effective July 1, 2016, and using
24 cost reports from providers for the base year ending June 30,
25 2014, which would result in the prospective payment system rate
26 being based upon reference to base year ending June 30, 2005,
27 for nine instead of eight years as required by rule; and

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29 WHEREAS, a one-year delay in rebasing of the prospective
30 payment system rates would be a significant financial burden for
31 operators of intermediate care facilities for individuals with
32 intellectual disabilities that serve Medicaid recipients,
33 especially considering the suspended annual inflation
34 adjustments; now, therefore,

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36 BE IT RESOLVED by the House of Representatives of the
37 Twenty-seventh Legislature of the State of Hawaii, Regular
38 Session of 2014, the Senate concurring, that the Director of
39 Human Services is requested to take steps, in collaboration with
40 providers, to rebase the basic prospective payment system rates
41 for intermediate care facilities for individuals with
42 intellectual disabilities that serve Medicaid recipients to be
43 effective July 1, 2015, for the fiscal year ending June 30,



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1 2016, and using cost reports from providers from the base year
2 ending June 30, 2013; and
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4 BE IT FURTHER RESOLVED that the Director of Health is urged
5 to include sufficient funding to cover any increase in basic
6 prospective payment system rates resulting from the above-
7 mentioned rebasing in its 2015-2017 biennium budget; and
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9 BE IT FURTHER RESOLVED that certified copies of this
10 Concurrent Resolution be transmitted to the Governor, Director
11 of Human Services, and Director of Health.
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OFFERED BY:

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MAR 07 2014

