

STAND. COM. REP. NO. 2219

Honolulu, Hawaii

FEB 12 2014

RE: S.B. No. 2056
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committees on Health and Human Services, to which was referred S.B. No. 2056 entitled:

"A BILL FOR AN ACT RELATING TO THE HOSPITAL SUSTAINABILITY PROGRAM,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Amend Act 217, Session Laws of Hawaii 2012, as amended by Act 141, Session Laws of Hawaii 2013, to continue the hospital sustainability program by extending the sunset date of the Act;
- (2) Update the referral dates relating to the hospital sustainability program;
- (3) Revise the funding amount for the hospital sustainability program for fiscal year 2014-2015; and
- (4) Exempt the hospital sustainability program special fund from central services expenses assessed under section 36-27, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Health Systems Corporation, The Queen's Health Systems, The Chamber of Commerce of Hawaii, and Hawaii Pacific Health. Your Committees received



comments on this measure from the Department of the Attorney General.

Your Committees find that health care provider reimbursements are declining at the federal and state levels, making it necessary for health care providers to find innovative ways to generate revenues to offset the decline in reimbursements. Your Committees further find that since the sustainability fee program was put into place, public hospitals have been able to fully utilize their certified public expenditures to the maximum extent possible for their exclusive benefit as a means of continuing financing for their operating deficits. This measure ensures that any monies received in fees are only used to increase the sustainability of hospitals in Hawaii and to benefit Medicaid program recipients.

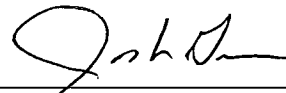
Your Committees have amended this measure by amending session law language to ensure that all necessary provisions related to the hospital sustainability program special fund, including provisions related to monies deposited into the fund, are extended to December 31, 2015.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2056, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2056, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services,



SUZANNE CHUN OAKLAND, Chair



JOSH GREEN, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Health
HTH

| | | |
|-------------------------|---------------------|----------|
| Bill / Resolution No.:* | Committee Referral: | Date: |
| SB 2050 | HTH/HMS, WAM | 2-3-2014 |

The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

| Members | Aye | Aye (WR) | Nay | Excused |
|------------------------|-----|----------|-----|---------|
| GREEN, M.D., Josh (C) | ✓ | | | |
| BAKER, Rosalyn H. (VC) | ✓ | | | |
| CHUN OAKLAND, Suzanne | ✓ | | | |
| NISHIHARA, Clarence K. | ✓ | | | |
| SLOM, Sam | | | | ✓ |
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| TOTAL | 4 | - | - | 1 |

Recommendation: Adopted Not Adopted


Chair's or Designee's Signature: 

Distribution: Original Yellow Pink Goldenrod
 File with Committee Report Clerk's Office Drafting Agency Committee File Copy

*Only one measure per Record of Votes

The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

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|---|---|---------------------------------------|----------------------------------|---------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SB 2056 | HTH/HMS, WAM | 2/3/14 | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: | | | | |
| <input type="checkbox"/> Pass, unamended 2312 | <input checked="" type="checkbox"/> Pass, with amendments 2311 | <input type="checkbox"/> Hold 2310 | | |
| <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| CHUN OAKLAND, Suzanne (C) | ✓ | | | |
| GREEN, Josh (VC) | ✓ | | | |
| KIDANI, Michelle N. | | | | ✓ |
| TANIGUCHI, Brian T. | ✓ | | | |
| SLOM, Sam | | | | ✓ |
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| TOTAL | 3 | 0 | 0 | ✓ |
| Recommendation: | | | | |
| <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: | | | | |
|  | | | | |
| Distribution: | | | | |
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*Only one measure per Record of Votes