

STAND. COM. REP. NO.

776

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 936  
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 936, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to amend Act 217, Session Laws of Hawaii 2012, relating to the Hospital Sustainability Program.

Specifically, this measure:

- (1) Adjusts the percentage allocations of funds to be expended from the hospital sustainability program fund for uncompensated care and other purposes;
- (2) Authorizes the Department of Human Services to use funds derived from intergovernmental transfers to support direct supplemental payments to health plans for the benefit of state hospitals;
- (3) Lowers the percentage of a hospital's net inpatient hospital service revenue that is used to set a hospital's inpatient hospital sustainability fee;
- (4) Lowers the net outpatient revenue monetary threshold that qualifies a hospital to pay the hospital sustainability fee on outpatient care services;



- (5) Exempts public hospitals and any hospital that was not in operation during any part of calendar year 2012 from paying the hospital sustainability fee on outpatient care services;
- (6) Increases the total aggregate amount of direct payments to be paid to private hospitals to cover uncompensated care costs in fiscal year 2013;
- (7) Clarifies and updates the text of Act 217;
- (8) Makes an appropriation out of the hospital sustainability program special fund for fiscal year 2013-2014; and
- (9) Extends the repeal date of Act 217 to June 30, 2014.

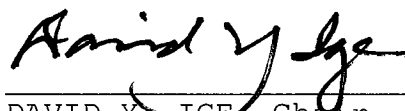
Your Committee received written comments in support of this measure from the Department of Human Services, Healthcare Association of Hawaii, and Hawaii Pacific Health.

Your Committee finds that extending Act 217 will enable the Department of Human Services to continue to make supplemental payments to help hospitals offset their uncompensated care costs.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 936, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 936, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



DAVID Y. IGE, Chair



