

STAND. COM. REP. NO. 3501

Honolulu, Hawaii

APR 08 2016

RE: H.B. No. 1943  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1943, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LONG-TERM CARE FACILITIES,"

begs leave to report as follows:

The purpose and intent of this measure is to provide an inflationary adjustment to the long-term care reimbursement methodology used to reimburse facilities for the long-term care of Medicaid recipients for fiscal year 2016-2017.

Your Committee received written comments in support of this measure from Aloha Nursing Rehab Centre, Ann Pearl Rehabilitation and Healthcare, Chamber of Commerce Hawaii, East Hawaii Region of Hawaii Health Systems Corporation, Garden Isle Rehabilitation and Healthcare Center, Hale Kupuna Heritage Home, Hale Makua Health Services, Hale Makua Wailuku, Oahu Region of Hawaii Health Systems Corporation, Healthcare Association of Hawaii, Maunalani Nursing and Rehabilitation Center, Ohana Pacific Management Company, Inc., One Kalakaua Senior Living, Puuwai O Makaha, The Clarence TC Ching Villas at St. Francis, The Queen's Health Systems, Wahiawa Nursing and Rehabilitation Center, and three individuals.

Your Committee received written comments on this measure from the Department of Human Services.

Your Committee finds that reimbursement payments for Medicaid enrollees do not cover the actual costs of care. This shortfall

HB1943 SD1 SSCR LRB 16-2124.doc



presents significant financial challenges to organizations and facilities that provide long-term care for Hawaii residents. Approximately seventy percent of patients in long-term care facilities are covered by the state Medicaid program, and Medicaid reimbursement rates have not been adjusted for inflation since 2009, except for a partial adjustment in 2011. In the meantime, operating costs have increased significantly and could have a significant impact on Hawaii's health care system absent an inflationary adjustment to reimbursements.

Your Committee has amended this measure by:

- (1) Establishing the provisions of section 2 of the measure within the Session Laws rather than within the Hawaii Revised Statutes because the inflationary adjustment applies only to fiscal year 2016-2017;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, 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 H.B. No. 1943, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1943, H.D. 1, S.D. 1.

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



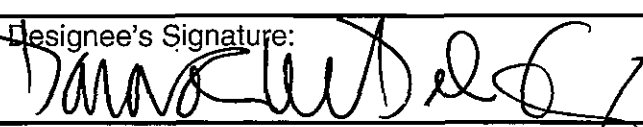
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JILL N. TOKUDA, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>HB 1943 , HD1</b>	Committee Referral: <b>HMS /CPH , WAM</b>	Date: <b>3 / 30 / 12</b>		
<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
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	.			/
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			<del>WAKAI</del>
INOUYE, Lorraine R.	.			
RIVIERE, Gil	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
SLOM, Sam	.			/
<b>TOTAL</b>	<b>8</b>			<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes