

Honolulu, Hawaii  
March 22, 2016

RE: S.B. No. 2330  
S.D. 2  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committees on Health and Human Services, to which was referred S.B. No. 2330, S.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this measure is to provide funding for and to extend the Hospital Sustainability Program (Program) by an additional year. This measure also amends provisions relating to:

- (1) The use of revenues derived from the Hospital Sustainability Fee (Fee) to enhance reimbursement rates and the drawdown of matched federal funds;
- (2) Fee assessment schedules, payment dates, and rates; and
- (3) The applicability of the Program to various types of hospitals.

The Hawaii Health Systems Corporation; East Hawaii Region of the Hawaii Health Systems Corporation; The Queen's Health Systems; Chamber of Commerce Hawaii; Healthcare Association of Hawaii; United Public Workers, AFSCME, Local 646, AFL-CIO; and Hawaii Primary Care Association testified in support of this measure. The Department of Human Services, Department of the Attorney General, and Hawaii Medical Service Association provided comments.



Your Committees have amended this measure by:

- (1) Clarifying that the revenues from the Hospital Sustainability Fee shall be used for any of, rather than all of, the reimbursement and matching purposes specified in the measure;
- (2) Exempting rehabilitation and psychiatric hospitals from the outpatient Fee;
- (3) Specifying that nothing in the Program shall require the Department of Human Services to exempt a facility from the Fee if it is not approved by the United States Department of Health and Human Services Centers for Medicare and Medicaid Services;
- (4) Changing its effective date to June 29, 2112, to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

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. 2330, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2330, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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



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DEE MORIKAWA, Chair



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DELLA AU BELATTI, Chair





