

STAND. COM. REP. NO. **2120**

Honolulu, Hawaii

MAR 04 2016

RE: S.B. No. 2396

S.D. 2

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 S.B. No. 2396, S.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 preserve access to health care for Medicaid recipients by providing \$1,900,000 in general funds to cover the costs of an inflationary adjustment to the long-term care reimbursement methodology used to reimburse facilities for Medicaid recipients.

Your Committee received written comments in support of this measure from the Hawaii Health Systems Corporation Oahu Region, Healthcare Association of Hawaii, The Queen's Health Systems, Ann Pearl Rehabilitation and Health Care, The Clarence T.C. Ching Villas at St. Francis, Hale Kupuna Heritage Home, Ohana Pacific Management Company, Inc., One Kalakaua Senior Living, Pohai Nani, Puuwai O Makaha, Hale Makua Health Services, Hale Makua Long-Term Care, and two individuals.

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

Your Committee finds that Medicaid reimbursement rates have not been adjusted for inflation since 2009 and the gap between operational costs and reimbursements for long-term care facilities in the State has widened considerably since then. Your Committee further finds that providing an inflationary adjustment to the

SB2396 SD2 SSCR LRB 16-1594-2.doc



long-term care reimbursement methodology used to reimburse facilities for Medicaid recipients will help preserve access to health care for those and future Medicaid recipients.

Your Committee notes that the Department of Human Services should look at the possibility of absorbing the inflationary adjustment for long-term care reimbursements in its annual Medicaid general fund budget of approximately \$1,000,000,000. Throughout the fiscal year, transfers are made within the program to cover fluctuating costs and support for this rate adjustment should be looked at similarly.

Your Committee has amended this measure by:

- (1) Changing the appropriation from \$1,900,000 to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

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. 2396, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2396, S.D. 2.

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




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.:*	Committee Referral:	Date:		
SB 2396, SD1	HMS/CPH, WAM	2/26/2016		
<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				✓
INOUE, Lorraine R.	✓			
RIVIERE, Gil	✓			
TANIGUCHI, Brian T.				✓
WAKAI, Glenn	✓			
SLOM, Sam			✓	
TOTAL	5		1	5
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> 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