

STAND. COM. REP. NO.

1022

Honolulu, Hawaii

March 24, 2015

RE: S.B. No. 912
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 912, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to assess the need for annual inflationary adjustments to the long-term care reimbursement methodology used to reimburse facilities for care of Medicaid recipients by requiring the Department of Human Services to submit a report on long-term care facilities to the Legislature every three years, which will provide information on annual fiscal year costs, reimbursements for Medicaid enrollees, and the potential impact of a reimbursement rate increase.

Ohana Pacific Management Company and an individual supported this measure. The Department of Human Services, Hawaii Health Systems Corporation, and the Queen's Health Systems supported the intent of this measure. The Healthcare Association of Hawaii, Hale Makua Health Services, and several individuals commented on this measure.

SB912 HD1 HSCR HUS HMS 2015-2759



Your Committee has amended this measure by

- (1) Deleting language that would require the Department of Human Services to submit a report to the Legislature and replacing it with language from H.B. 583 H.D. 1, which was previously heard by this Committee and requires the Department of Human Services to apply an annual cost increase to a long-term care facility's provider-specific prospective payment rate for Medicaid recipients by applying a federally approved inflation factor to the provider's historical costs or basic prospective payment system rates; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 912, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 912, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,



DEE MORIKAWA, Chair



