



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

February 25, 2016

TO: The Honorable Jill N. Tokuda, Chair
Senate Committee on Ways and Means

FROM: Rachael Wong, DrPH, Director

SUBJECT: **SB2396 SD 1 - RELATING TO LONG –TERM CARE FACILITIES**

Hearing: Friday, February 26, 2016; 9:40 a.m.
Conference Room 211, State Capitol

DEPARTMENT’S POSITION: The Department of Human Services (DHS) appreciates the opportunity to testify on this bill and provides comments.

PURPOSE: The purpose of this bill is to preserve access to health care for Medicaid recipients by providing an inflationary adjustment to the long term care reimbursement methodology used to reimburse facilities for Medicaid recipients.

This measure requires an inflationary adjustment statutorily for long term care facilities for one fiscal year. While we appreciate the intent of this measure, the Department is concerned that fixing the rate increase may adversely impact priorities of the Executive Budget, even though the increase is for only one fiscal year. If the legislature were to consider the increase, the DHS respectfully requests that the increase be appropriated through the Executive Budget rather than mandating the rate increase through statute.

Providing the additional appropriation through the Executive Budget would allow for the submission and approval by the Centers for Medicare and Medicaid Services (CMS) of a State Plan Amendment to provide the adjustment for one year. Any rate adjustment for Medicaid can only be provided prospectively upon approval by CMS.

While the annual inflationary adjustment for the Medicaid program is currently suspended, the nursing facilities participating in the Nursing Facility Sustainability Program this

past year were assessed \$10,346,784 in fees and received \$21,614,340 in additional reimbursements.

Thank you for the opportunity to testify on this measure.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: paulg@gammie.com
Subject: Submitted testimony for SB2396 on Feb 26, 2016 09:40AM
Date: Thursday, February 25, 2016 2:28:01 PM

SB2396

Submitted on: 2/25/2016

Testimony for WAM on Feb 26, 2016 09:40AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Paul M Gammie	Hale Makua Skilled Nursing	Support	No

Comments: Cost of living increases are fair. Please support this bill.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Subject: *Submitted testimony for SB2396 on Feb 26, 2016 09:40AM*
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SB2396

Submitted on: 2/25/2016

Testimony for WAM on Feb 26, 2016 09:40AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan Armstrong	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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