

STAND. COM. REP. NO.

397

Honolulu, Hawaii

February 16, 2017

RE: H.B. No. 89
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Human Services and Health, to which was referred H.B. No. 89 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 preserve access to health care for Medicaid recipients by:

- (1) Extending the Hospital Sustainability Program for two years and updating statutory references accordingly;
- (2) Clarifying that the rate of the outpatient hospital sustainability fee shall not exceed three percent of net outpatient hospital service revenue;
- (3) Allowing the Department of Human Services (DHS) to exclude any facility from the hospital sustainability fee on outpatient care services if its exclusion is required to meet federal standards of approval; and
- (4) Appropriating funds out of the Hospital Sustainability Program Special Fund for Fiscal Year 2017-2018 and Fiscal Year 2018-2019.

HB89 HD1 HSCR HUS-HLT HMS 2017-2125



The Department of Human Services, Hawaii Health Systems Corporation, East Hawaii Region of Hawaii Health Systems Corporation, The Queen's Health Systems, Hawaii Pacific Health, Healthcare Association of Hawaii, One Kalakaua Senior Living, and an individual testified in support of this measure.

Your Committees have amended this measure by:

- (1) Amending the appropriation to an unspecified amount;
- (2) Changing its effective date to June 29, 2075, and July 1, 2075, for section 7, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and consistency.

Should this measure be heard by the Committee on Finance, your Committees respectfully request that it consider appropriating \$65,000,000 out of the Special Fund for each year of the 2017-2019 Fiscal Biennium.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 89, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 89, H.D. 1, and be referred to your Committee on Finance.

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



DELLA AU BELATTI, Chair



DEE MORIKAWA, Chair



