

STAND. COM. REP. NO.

1620

Honolulu, Hawaii

APR 19 2017

RE: H.C.R. No. 161

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Human Services and Commerce, Consumer Protection, and Health, to which was referred H.C.R. No. 161 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE CONVENING OF A WORKING GROUP RELATING TO COMPLEX PATIENTS,"

beg leave to report as follows:

The purpose and intent of this measure is to request the Med-QUEST Administrator to convene a working group to evaluate the issue of complex patients who are waitlisted in hospitals because of medical or behavioral health issues and to consider solutions that include incentive or add-on payments to encourage their transfer out of hospitals and into more appropriate settings.

Your Committees received testimony in support of this measure from The Queen's Health Systems, Kaiser Permanente Hawaii, Healthcare Association of Hawaii, and Hawai'i Pacific Health. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that waitlisted patients are hospitalized individuals who have recovered sufficiently to no longer need the acute level of care that a hospital provides but who cannot be transferred to a long-term care facility because of a complex medical or behavioral health need that requires more intensive services. The intensive services needed by these patients are often too costly for long-term care facilities to



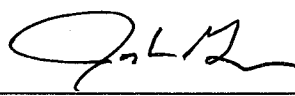
provide because of the wide gap between cost of care and the reimbursement received from Medicaid, so patients remain in the hospital for many weeks or months after the appropriate date of discharge from an acute-level facility. Since long-term care facilities lack a financial incentive to assume care of individuals with complex medical issues, the reluctance of long-term care facilities to take on these patients after hospital discharge will likely worsen since the level of reimbursement will increasingly fall short of the cost of providing needed services. Therefore, it is critical to further examine this issue by considering incentives or add-on payments to the long-term care Medicaid base rate for patients with complex medical needs.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 161, and recommend that it be referred to your Committee on Ways and Means.

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



ROSALYN H. BAKER, Chair



JOSH GREEN, Chair



