

Honolulu, Hawaii

FEB 03 2017

RE: S.B. No. 308

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 S.B. No. 308 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Beginning with fiscal year 2017-2018, provide an annual inflationary adjustment in the methodology used to reimburse facilities for the long-term care of Medicaid recipients; and
- (2) Appropriate funds to provide an inflationary adjustment to long-term care facilities' provider-specific prospective payment rates for fiscal years 2017-2018 and 2018-2019.

Your Committees received testimony in support of this measure from the Hawaii Health Systems Corporation; East Hawaii Region of the Hawaii Health Systems Corporation; Ohana Pacific Management Company, Inc.; The Queen's Health Systems; Hawai'i Pacific Health; Healthcare Association of Hawaii; One Kalakaua Senior Living; Oahu Care Facility; and two individuals. Your Committees received comments on this measure from the Department of Human Services.

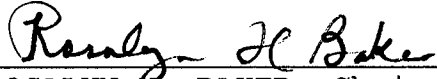
Your Committees find that long-term care facilities in the State face major financial challenges in providing quality health care for Hawaii residents, largely because the payments for



Medicaid enrollees do not cover the actual costs of care. The Legislature did approve funding for an inflationary update to Medicaid rates for long-term care facilities in 2016, the first increase in approximately seven years. That one-time appropriation of approximately \$1,500,000 for fiscal year 2016-2017 generated an additional \$2,500,000 in federal funds. However, despite that infusion of funds, the Medicaid shortfall will likely persist as the rising costs of care continue to outpace reimbursements.

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 are in accord with the intent and purpose of S.B. No. 308 and recommend that it pass Second Reading and 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

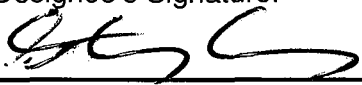


JOSH GREEN, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* SB 308	Committee Referral: HMS/CPH, WAM	Date: 11/30/17		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GREEN, Josh (C)	✓			
CHANG, Stanley (VC)	✓			
HARIMOTO, Breene	✓			
TOKUDA, Jill N.				✓
WAKAI, Glenn				✓
TOTAL	3			2
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

The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 308	HMS/CPH, WAM	1/30/17		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
NISHIHARA, Clarence K. (VC)	✓			
CHANG, Stanley	✓			
ESPERO, Will	✓			
IHARA, Jr., Les	✓			
KIDANI, Michelle N.				✓
RUDERMAN, Russell E.				✓
TOTAL	5			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>Clarence K. Nishihara</i></div>				
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