

Honolulu, Hawaii

FEB 03 2017

RE: S.B. No. 374
S.D. 1

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. 374 entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID,"

beg leave to report as follows:

The purpose and intent of this measure is to establish and appropriate funds for an add-on payment of forty percent to the Medicaid base rate for Medicaid enrollees at long-term care facilities who have medically complex conditions requiring a higher level of care and are awaiting discharge from an acute care hospital.

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

Your Committees find that a bottleneck occurs between hospitals and long-term care facilities for waitlisted health care patients. Waitlisted health care patients are individuals who have recovered sufficiently to no longer need the acute level of



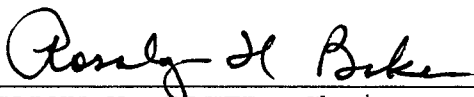
care that a hospital provides, but who cannot be transferred from a hospital to another facility because an appropriate placement cannot be found. It is especially difficult to locate a placement for patients who have a complex medical need, such as a traumatic brain injury or cognitive impairment, as the costs of treating these patients are prohibitively high for long-term care facilities.

Your Committees further find that the current Medicaid level of reimbursement for long-term care facilities does not match the cost of providing services to health care patients with medically complex needs. To help hospitals place high-cost patients who no longer need acute care into appropriate long-term care settings, it is critical that long-term care facilities receive payments that better reflect the costs of care attendant with medically complex cases, as hospitals that care for waitlisted health care patients may incur a net annual loss of approximately \$60,000,000.


Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 374, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 374, S.D. 1, 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

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|--|--|----------------------------|-----|----------|
| Bill / Resolution No.:* SB 374 | Committee Referral: HMS/CPH, WAM | Date: 11/30/2017 | | |
| <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 type="checkbox"/> Pass, unamended 2312 <input checked="" 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 | | | | ✓ |
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| 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

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|--|--|-------------------------|-----|-------------|
| Bill / Resolution No.:* SB 374 | Committee Referral: HMS/CPH, NAM | Date: 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 type="checkbox"/> Pass, unamended 2312 <input checked="" 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. | | | | ✓ |
| | | | | ✓ <i>CM</i> |
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| TOTAL | 4 | | | 3 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <i>Clarence K. Nishihara</i> | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes