

Honolulu, Hawaii

FEB 03 2017

RE: S.B. No. 397

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. 397 entitled:

"A BILL FOR AN ACT RELATING TO THE HOSPITAL SUSTAINABILITY PROGRAM,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Continue the hospital sustainability program for two years; and
- (2) Appropriate funds out of the hospital sustainability program special fund for fiscal years 2017-2018 and 2018-2019.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Health Systems Corporation, East Hawaii Region of the Hawaii Health Systems Corporation, The Queen's Health Systems, Healthcare Association of Hawaii, Chamber of Commerce Hawaii, Hawai'i Pacific Health, and one individual.


Your Committees find that the Legislature created the hospital sustainability program which was enacted by Act 217, Session Laws of Hawaii 2012, to increase Medicaid payments to hospitals in recognition that Medicaid payments to hospitals were below the actual costs of care. Because of the hospital sustainability program, Medicaid payments to many facilities in



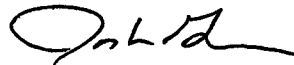
the State are closer to the actual costs of care, which helps to ensure that Medicaid patients have access to the hospital care they need.

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. 397 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 Commerce, Consumer Protection, and Health**  
**CPH**

|  |  |                         |     |          |
|--|--|-------------------------|-----|----------|
| Bill / Resolution No.:*<br><b>SB 397</b>   | Committee Referral:<br><b>HMS/CPH, WAM</b> | Date:<br><b>1/30/17</b> |     |          |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |  |                         |     |          |
| The Recommendation is:<br><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.   |  |                         |     | ✓        |
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| <b>TOTAL</b>   | <b>4</b>                                   |                         |     | <b>3</b> |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |  |                         |     |          |
| Chair's or Designee's Signature:<br><div style="text-align: center; font-family: cursive; font-size: 1.2em;">Clarence K Nishihara</div>  |  |                         |     |          |
| <b>Distribution:</b> Original     Yellow     Pink     Goldenrod<br>File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy   |  |                         |     |          |

\*Only one measure per Record of Votes