

Honolulu, Hawaii

MAR 29 2017

RE: S.C.R. No. 106

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.C.R. No. 106 entitled:

"SENATE 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 Healthcare Association of Hawaii; Ohana Pacific Management Company, Inc.; and The Queen's Health Systems. Your Committees received comments on this measure from the Department of Human Services.

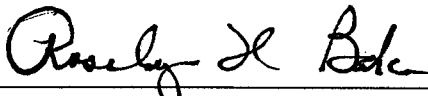
Your Committees find that waitlisted patients are hospitalized individuals who have recovered sufficiently to no longer need the acute level of care that a hospital provides but who cannot be transferred to a long-term care facility because of a complex medical or behavioral health need that requires 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 S.C.R. No. 106 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,



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ROSALYN H. BAKER, Chair



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JOSH GREEN, Chair





