

STAND. COM. REP. NO.

1085

Honolulu, Hawaii

MAR 24 2017

RE: H.B. No. 92
H.D. 1

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

Sir:

Your Committee on Human Services, to which was referred H.B. No. 92, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to require and appropriate funds for an annual inflation adjustment to the methodology used to reimburse long-term care facilities for care provided to Medicaid recipients.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation; Oahu Region of the Hawaii Health Systems Corporation; Chamber of Commerce Hawaii; The Queen's Health Systems; Aloha Nursing Rehab Centre; One Kalakaua Senior Living; Ann Pearl Rehabilitation and Healthcare; Ohana Pacific Management Company, Inc.; Pu'uwai 'O Makaha; Hale Kupuna Heritage Home; Healthcare Association of Hawaii; Hawaii Chapter of the American Physical Therapy Association; Clarence T. C. Ching Villas at St. Francis; Garden Isle Rehabilitation and Healthcare; and one individual. Your Committee received comments on this measure from the Department of Human Services.

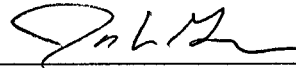
Your Committee finds that long-term care facilities in the State face major financial challenges in providing quality health care for Hawaii residents, largely because the payments for Medicaid enrollees do not cover the actual costs of care. The



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. This measure provides another inflationary adjustment for fiscal years 2017-2018 and 2018-2019 to help defray some of those costs.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 92, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,



JOSH GREEN, Chair



