

STAND. COM. REP. NO. **1250**

Honolulu, Hawaii

MAR 19 2019

RE: H.B. No. 1270
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committees on Human Services and Commerce, Consumer Protection, and Health, to which was referred H.B. No. 1270, H.D. 1, 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) Extend the hospital sustainability program for two years;
- (2) Clarify exemptions from the hospital sustainability fee;
- (3) Increase the allowable aggregate fees charged to a hospital from 3.5 percent to 4.0 percent; and
- (4) Appropriate funds out of the hospital sustainability special fund for fiscal years 2019-2020 and 2020-2021.

Your Committees received testimony in support of this measure from the Department of Human Services, Healthcare Association of Hawaii, Kaiser Permanente Hawai'i, Hawai'i Pacific Health, Hawaii Medical Service Association, The Queen's Health Systems, and Chamber of Commerce Hawaii.



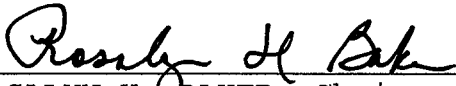
Your Committees find that the hospital sustainability program was established in 2012 to increase Medicaid payments to hospitals in recognition that Medicaid payments to hospitals were below the actual costs of care. Because of the hospital sustainability program, Medicaid payments to many hospitals in the State are closer to the actual costs of care, which helps ensure that Medicaid patients have access to the hospital care they need. This measure extends the hospital sustainability program, which will allow hospitals in the State to continue to serve underinsured and uninsured patients in a timely, effective manner, and ensure the overall sustainability of the health care system in Hawaii.

Your Committees have amended this measure by:

- (1) Changing the effective date to June 29, 2019; provided that the appropriation shall take effect on July 1, 2019; and
- (2) Making a technical, nonsubstantive amendment 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 H.B. No. 1270, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1270, H.D. 1, 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



RUSSELL E. RUDERMAN, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1270, HDI	HMS/CPH, WAM	3/13/2019		
<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
RUDERMAN, Russell E. (C)	✓			
RHOADS, Karl (VC)	✓			
IHARA, Jr., Les	✓			
RIVIERE, Gil				✓
FEVELLA, Kurt				✓
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Karl Rhoads</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

