

Honolulu, Hawaii

FEB 28

, 2019

RE: H.B. No. 1449  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1449, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Extend the Nursing Facility Sustainability Program;
- (2) Allow the nursing facility sustainability fee to be used to enhance capitated rates to pay for quality incentives;
- (3) Increase the fee limit to 5.5 per cent of a nursing facility's net patient service revenue;
- (4) Increase the per resident daily maximum fee and per resident reduced daily maximum fee for certain facilities;
- (5) Clarify that nursing facilities owned or operated by the Hawaii Health Systems Corporation are exempt from the fee; and

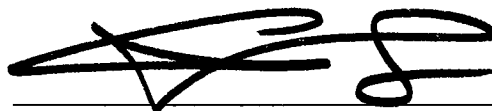


- (6) Appropriate funds from the Nursing Facility Sustainability Special Fund to the Department of Human Services to support the Nursing Facility Sustainability Program.

The Department of Human Services, The Queen's Health Systems, Ohana Pacific Management Company, Inc., Hawaii Medical Service Association, Healthcare Association of Hawaii, and O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1449, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



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SYLVIA LUKE, Chair



