

STAND. COM. REP. NO. **1251**

Honolulu, Hawaii

**MAR 19 2019**

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

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Extend the nursing facility sustainability fee program to 2021;
- (2) Allow the nursing facility sustainability fee to be used to enhance capitated rates for the purpose of paying quality incentives;
- (3) Increase the nursing facility sustainability fee limit from 4.0 to 5.5 per cent of net patient service revenue;
- (4) Increase the per resident daily maximum fee from \$13.46 to \$20 for each facility, and increase the per resident reduced daily maximum fee from \$5.85 to \$9 for facilities that meet certain exceptions; and
- (5) Appropriate funds.



Your Committees received testimony in support of this measure from the Department of Human Services, The Queen's Health Systems; Healthcare Association of Hawaii, and Hawaii Medical Service Association.

Your Committees find that nursing facilities in the State face major financial challenges in providing quality long-term care for Hawaii residents. As a result, the Legislature created the nursing facility sustainability program to increase Medicaid payments to nursing facilities, in recognition that Medicaid payments to nursing facilities are below the actual costs of care. The additional federal funds obtained via the fee program authorized by the nursing facility sustainability program have helped to reduce the amount of losses incurred by long-term care facilities and maintain access to care for Medicaid recipients. This measure extends the nursing facility sustainability program, which will preserve access to quality health care for Medicaid recipients.

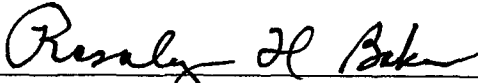
Your Committees have amended this measure by:

- (1) Changing the effective date to June 29, 2019; provided that the appropriation shall take effect on July 1, 2019; and
- (2) Making technical, nonsubstantive amendments 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. 1449, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1449, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

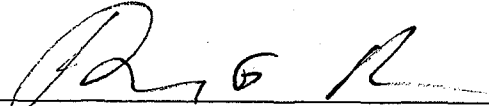


Respectfully submitted on  
behalf of the members of the  
Committees on Human Services  
and Commerce, Consumer  
Protection, and Health,



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ROSALYN H. BAKER, Chair



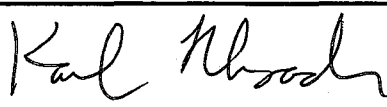
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RUSSELL E. RUDERMAN, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Human Services**  
**HMS**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1449, HD1	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				✓
<b>TOTAL</b>	3	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes

