

Honolulu, Hawaii

FEB 14 , 2020

RE: H.B. No. 1637
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 1637
entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to appropriate funds for one
permanent full-time equivalent Medicare administrator position
within the Department of Health for outreach and support for those
transitioning to Medicare coverage.

Prior to the hearing on this measure, your Committee posted
and made available for public review a proposed H.D. 1, which
deletes the contents of this measure and inserts language to
eliminate the spending ceiling for using monies in the Civil
Monetary Penalty (CMP) Special Fund by the Department of Health
for compliance activities approved by the federal Centers for
Medicare and Medicaid Services (CMS).

Your Committee received testimony in support of the proposed
H.D. 1 from the Department of Health; Healthcare Association of
Hawaii; Hawaii Martin Luther King, Jr., Coalition; and four
individuals. Your Committee received comments on the proposed
H.D. 1 from one individual.



Your Committee finds that under existing law, the CMP Special Fund has an annual spending ceiling of \$30,000. However, CMS now prefers for state laws not to contain spending limits so that favorable reinvestment projects can be better funded from CMP Special Fund monies. Your Committee notes that Hawaii's reinvestment plan was deemed unacceptable by the federal government because of the CMP Special Fund's spending limit. The proposed H.D. 1 removes the spending limit, which will align state law with the federal CMP reinvestment program.

Your Committee further finds that according to AARP, every month, Medicare spends approximately \$134 more for each socially isolated older adult than it would if the person were more communally connected. As an estimated four million older adults enrolled in traditional Medicare are considered socially isolated, Medicare spends an additional approximately \$6.7 billion per year.

Your Committee also finds that the federal Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act of 2017 extends and expands the Independence at Home demonstration program, through which comprehensive primary care services are delivered at home to Medicare beneficiaries with multiple chronic conditions.

Your Committee has amended this measure by adopting the proposed H.D. 1 and further amending the measure by:

- (1) Specifically including supplemental health care benefits, such as in-home care, adult day care, and other non-medical, in-home items and services as acceptable expenditures by the Department of Health out of the CMP Special Fund;
- (2) Retaining the original version of this measure, as introduced, which appropriates funds for one permanent full-time equivalent Medicare administrator position within the Department of Health for outreach and support for those transitioning to Medicare coverage;
- (3) Adding a severability clause;
- (4) Changing its effective date to July 1, 2050, to encourage further discussion; and



- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1637, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1637, H.D. 1, and be referred to your Committee on Finance.

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



JOHN M. MIZUNO, Chair



