

STAND. COM. REP. NO.

2770

Honolulu, Hawaii

FEB 14 2020

RE: S.B. No. 2899

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 2899 entitled:

"A BILL FOR AN ACT RELATING TO THE MEDICARE CIVIL MONETARY
PENALTY SPECIAL FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal the fund
ceiling on the Civil Monetary Penalty Special Fund used by the
Department of Health for compliance activities approved by the
Centers for Medicare and Medicaid Services.

Your Committee received testimony in support of this measure
from the Department of Health and Healthcare Association of
Hawaii. Your Committee received testimony in opposition to this
measure from one individual.

Your Committee finds that federal civil monetary penalties
may be assessed on Medicare certified skilled nursing facilities
by the Department of Health and Human Services Centers for
Medicare and Medicaid Services and shared with states. In Hawaii,
these monetary penalties are assessed when facilities are cited
for non-compliance with federal certification requirements as
found during federal recertification surveys conducted by the
Department of Health's Office of Health Care Assurance.

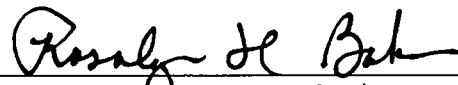


Your Committee further finds that the Civil Monetary Penalty Special Fund was created for the deposit and expenditure of monetary penalties shared with Hawaii. The Civil Monetary Penalty Special Fund currently has a spending ceiling of \$30,000 per year, an amount that was determined during a time of infrequent and lower amounts of assessed monetary penalties. However, during recent years, the special fund balance has increased significantly. Removing the spending ceiling will further align the special fund with the civil monetary penalty reinvestment program, a three-year effort by the Centers for Medicare and Medicaid Services to reduce adverse events, improve staffing quality, and improve dementia care in nursing homes.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2899, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



