STAND. COM. REP. NO.



Honolulu, Hawaii

, 2021

FEB 18 RE:

H.B. No. 311

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Health, Human Services, & Homelessness, to which was referred H.B. No. 311 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:

- Extend the Nursing Facility Sustainability Program to (1)June 30, 2024;
- (2) Specify that the Nursing Facility Sustainability Fee shall not exceed 5.5 percent of overall net patient service revenue; and
- Remove the per resident daily maximum fee of \$20 for each facility and permit certain facilities to pay a reduced daily fee, as compared to other participating facilities.

Your Committee received testimony in support of this measure from the Department of Human Services, The Queen's Health Systems, Healthcare Association of Hawaii, Hawaii Primary Care Association, Kalakaua Gardens, Aloha Nursing Rehab Centre, Kula Hospital, Lanai Community Hospital, Clarence T.C. Ching Villas at St. Francis, Puuwai O Makaha, Ohana Pacific Health, and one individual.

Your Committee finds that a provider fee on nursing facilities assessed under the Nursing Facility Sustainability Program can result in a substantial increase in Medicaid payments without putting additional constraints on the State's budget. Your Committee further finds that for Fiscal Year 2021, the nursing facilities in the state will be assessed \$13,000,000 in sustainability fees and receive approximately \$15,000,000 in net reimbursements. These additional monies increase the sustainability of nursing facilities in the State and ensure that the facilities can continue as a critical part of the safety net for Medicaid recipients.

Should your Committee on Finance choose to deliberate on this measure, your Committee on Health, Human Services, and Homelessness respectfully requests that it consider appropriating \$33,000,000 from the Nursing Sustainability Program Special Fund for uses consistent with the special fund.

Your Committee has amended this measure by:

- (1) Allowing nursing facilities to pay their assessed fees within sixty days after the end of each month, rather than thirty days;
- (2) Changing the appropriation to an unspecified amount;
- (3) Changing the effective date to July 1, 2060, to encourage further discussion; and
- (4) 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, Human Services, & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 311, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 311, H.D. 1, and be referred to your Committee on Finance.

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Respectfully submitted on behalf of the members of the Committee on Health, Human Services, & Homelessness,

RYAN I. YAMANE, Chair

## State of Hawaii House of Representatives The Thirty-first Legislature HSCR 413

## Record of Votes of the Committee on Health, Human Services, & Homelessness

Bill/Resolution No.:	Committee Referral:	Date:	2/11/2021	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
HHH Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMANE, Ryan I. (C)	J			
2. TAM, Adrian K. (VC)				
3. GATES, Cedric Asuega			A	and the second s
4. HAR, Sharon E.	V			
5. KAPELA, Jeanne			可撒 (以入到超界到期	
6. LoPRESTI, Matthew S.				
o. Doi Midili, Matinew D.				
7. NISHIMOTO, Scott Y.		r. W Culto 125 Deudendet me Rus Ro	e in the second of the second of the second	o I - A tail I o million and an an a said and a said an
8. WARD, Gene				
TOTAL (8)	7			(
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				