

STAND. COM. REP. NO.

413

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:

- (1) Extend the Nursing Facility Sustainability Program to June 30, 2024;
- (2) Specify that the Nursing Facility Sustainability Fee shall not exceed 5.5 percent of overall net patient service revenue; and
- (3) 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

2021-1631 HB311 HD1 HSCR HMSO



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.

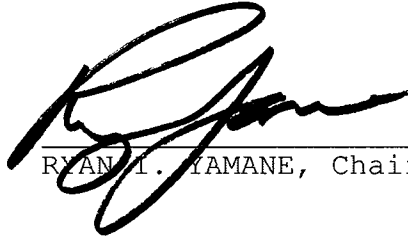
Your Committee has amended this measure by:

- (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.



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



RYAN I. YAMANE, Chair



