

Honolulu, Hawaii

MAR 04 2021

RE: S.B. No. 1132
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committees on Ways and Means and Judiciary, to which was referred S.B. No. 1132, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to ensure the economic viability of the State's Medicaid program.

Specifically, the measure ensures access to health care for Medicaid recipients by:

- (1) Establishing a Medicaid sustainability fee to be assessed on health insurers;
- (2) Establishing a Medicaid sustainability program special fund to receive money from the Medicaid sustainability fee and federal Medicaid matching funds; and
- (3) Using moneys from the Medicaid sustainability program special fund to pay for healthcare services covered under Medicaid.

Your Committees received written comments in support of this measure from the Department of Human Services and Hawaii Primary Care Association.



Your Committees received written comments in opposition to this measure from Ohana Health Plan.

Your Committees received written comments on this measure from Hawaii Medical Service Association.

Your Committees find that provider fees such as the Medicaid sustainability fee established by this measure are used in forty-nine other states and the District of Columbia as a means to draw down federal funds to sustain state Medicaid programs. Your Committees further find that the program established by this measure will help to guarantee access to critical Medicaid benefits, such as supportive housing, behavioral health, vaccinations, preventive health, primary care, and home- and community-based services, for the State's most vulnerable populations at a time when state budget constraints due to the coronavirus disease 2019 (COVID-19) pandemic may force reductions in payments.

Your Committees have amended this measure by:

- (1) Removing provisions providing for the reenactment of sections 36-27(a) and 36-30(a), Hawaii Revised Statutes, in the form in which they read on the day before the effective date of the measure;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1132, S.D. 1, as amended herein, and recommend

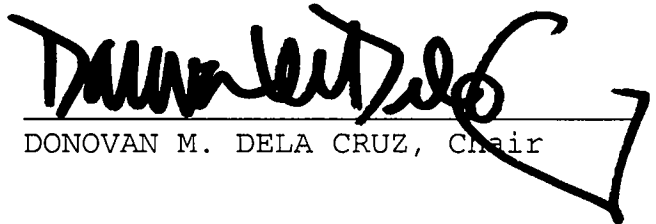


that it pass Third Reading in the form attached hereto as S.B.
No. 1132, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Ways and Means
and Judiciary,



KARL RHOADS, Chair



DONOVAN M. DELA CRUZ, Chair



