

STAND. COM. REP. NO.

2068

Honolulu, Hawaii

FEB 04 2022

RE: S.B. No. 3120
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 3120 entitled:

"A BILL FOR AN ACT RELATING TO THE OFFICE OF HEALTHCARE ASSURANCE SPECIAL FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to remove the spending ceiling of the Office of Healthcare Assurance Special Fund to meet expanding program needs and diminish dependence on appropriations from the general fund.

Your Committee received testimony in support of this measure from the Department of Health. Your Committee received comments to this measure from the Tax Foundation of Hawaii.

Your Committee finds that section 321-1.4, Hawaii Revised Statutes, establishes the Office of Healthcare Assurance Special Fund. The money in the fund is to be used for, among other things, educational program expenses, public health outreach efforts, community development, and administering the durable medical equipment supplier license program. Currently, there is a \$327,000 spending cap on the special fund and any amount more than \$387,500 in the fund on June 30 of each year, must be deposited into the general fund. The Department of Health and Office of Healthcare Assurance has found the spending cap to be unrealistic, as the costs of the program often exceed the spending cap and must



therefore be supplemented by appropriations from the general fund. This measure removes the spending ceiling of the special fund and the requirement that money from the special fund be deposited into the general fund.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3120, S.D. 1, and be referred to your Committee on Ways and Means.

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



GARRETT KEOHOKALOLE, Chair



