

Honolulu, Hawaii

FEB 09 2022

RE: S.B. No. 3236
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 Human Services, to which was referred S.B. No. 3236 entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID PATIENT CARE,"

begs leave to report as follows:

The purpose and intent of this measure is to help preserve the financial viability of nursing facilities in the State by providing a one-time enhanced payment of fifteen percent to each nursing facility caring for Medicaid patients.

Your Committee received testimony in support of this measure from The Queen's Health Systems; Healthcare Association of Hawaii; Hawai'i Pacific Health; Ann Pearl Rehab & Nursing; Ohana Pacific Health; Legacy Hilo Rehab & Nursing; The Villas Post Acute Care Rehab; Garden Isle Rehab & Nursing; Pu'uwai 'O Makaha; Hale Makua Health Services; Hawaii Health Systems Corporation, East Hawaii Region; Hale Kupuna Heritage Home; Hawai'i Care Choices; Kaiser Permanente Hawai'i; Hale Ho'ola Hamakua; and five individuals. Your Committee received comments on this measure from the Department of Human Services, Department of Budget and Finance, Hawaii Health Systems Corporation, and one individual.

Your Committee finds that during the coronavirus disease 2019 pandemic, most states instituted an enhanced payment for nursing facilities to account for the significant increased costs of labor, personal protective equipment, supplies, and testing, among



other things. Your Committee further finds that nursing facilities experienced decreased occupancy, which affected their revenues and further exacerbated their financial strain. Nursing facilities nationwide have lost fifteen percent of their entire workforce and those numbers have not recovered over the past two years. The delta and omicron surges placed additional pressure on nursing facilities, in terms of their costs and ability to recruit and retain critical professions to care for seniors and other vulnerable individuals in long-term care settings. Your Committee believes that this one-time enhanced payment will be crucial as nursing facilities rebuild and engage in workforce development programs to provide good-paying, stable careers for Hawaii residents.

Your Committee notes testimony stating that Community Care Foster Family Homes and Expanded Adult Residential Care Homes in the State are also providing nursing home level care for Medicaid patients in the community.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the one-time enhanced payment being made pursuant to this measure is an amount equal to fifteen percent of the Medicaid patient payments of fiscal year 2022-2023;
- (2) Adding community care foster family homes and expanded adult residential care homes as recipients of the one-time enhanced payment being made pursuant to this measure; and
- (3) Replacing the appropriation amount with an unspecified amount.

Your Committee notes the testimony of Hawaii Health Systems Corporation, requesting that the one-time enhanced payment pursuant to this measure also be awarded to facilities with beds licensed for skilled nursing and intermediate care, to ensure that Hawaii Health Systems Corporation facilities are able to benefit from this measure.

Your Committee also notes the testimony of the Department of Budget and Finance expressing concerns regarding this measure's

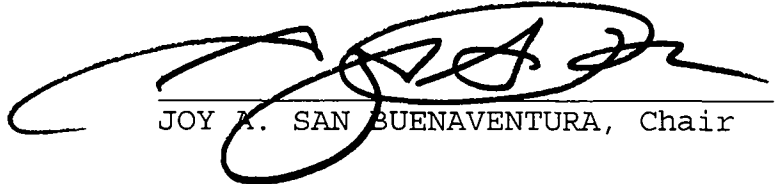


possible effect on the State's obligation to adhere to the maintenance of effort requirements as a recipient of Elementary and Secondary Schools Emergency Relief funds under the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and the American Recovery Plan Act of 2021.

Your Committee finds that the request and concerns raised by the Hawaii Health Systems Corporation and the Department of Budget and Finance, respectively, merit further consideration, and therefore, respectfully requests that your Committee on Ways and Means further examine those issues and concerns raised.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3236, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,



JOY A. SAN BUENAVENTURA, Chair



