

STAND. COM. REP. NO.

420

Honolulu, Hawaii

FEB 14 , 2023

RE: H.B. No. 1369  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committees on Human Services and Health & Homelessness,  
to which was referred H.B. No. 1369 entitled:

"A BILL FOR AN ACT RELATING TO NURSING FACILITIES,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Repeal the sunset dates of Act 156, Session Laws of Hawaii 2012, and Act 124, Session Laws of Hawaii 2014, thereby making the Nursing Sustainability Program permanent and permanently exempting the Nursing Sustainability Program from the central service and administrative expenses assessments;
- (2) Repeal the Nursing Facility Tax; and
- (3) Appropriate funds from the Nursing Facility Sustainability Program Special Fund.

Your Committees received testimony in support of this measure from the Department of Human Services, Kaiser Permanente Hawai'i, Hawai'i Primary Care Association, Hawai'i Pacific Health, The Queen's Health Systems, Healthcare Association of Hawaii, and one individual. Your Committees received comments on this measure from the Department of Taxation.

2023-1356 HB1369 HD1 HSCR HMSO



Your Committees find that provider fees, which are collected from specific categories of health care providers, may be imposed on different classes of health care services, including inpatient and outpatient hospital and nursing facility services. Your Committees note that provider fees exist in forty-nine states and the District of Columbia to draw down federal funds to sustain their Medicaid programs, increase health care providers, and expand Medicaid enrollment. The additional federal funds obtained via the Nursing Facility Sustainability Fee Assessment authorized by the Nursing Facility Sustainability Program (Program) have maintained access to health care for Medicaid recipients and allowed nursing facilities in the State to continue to provide a safety net for Medicaid recipients and under-insured or uninsured patients in a timely, effective manner.

Your Committees believe that the Program has helped to ensure the overall sustainability of the health care system in the State and should be continued permanently. Accordingly, this measure ensures the continued success of the Program by repealing the sunset dates of Act 156, Session Laws of Hawaii 2012, and Act 124, Session Laws of Hawaii 2014, thereby making the Program permanent. Repealing the sunset dates also ensures that the Program is permanently exempted from the central service and administrative expenses assessments, which ensures that the Nursing Facility Sustainability Program Special Fund can maximize all available funds to benefit the Program.

Your Committees have amended this measure by:

- (1) Clarifying that the Department of Human Services may modify, add to, or exclude facilities exempt from the Nursing Facility Sustainability Fee Assessment if necessary for Centers for Medicaid and Medicaid Services approval and if the modification is otherwise consistent with the Nursing Facility Sustainability Program requirements;
- (2) Clarifying that the Department of Human Services may impose the Nursing Facility Sustainability Fee on a monthly basis and the timeframe in which the fee must be paid;
- (3) Changing the appropriation to an unspecified amount;



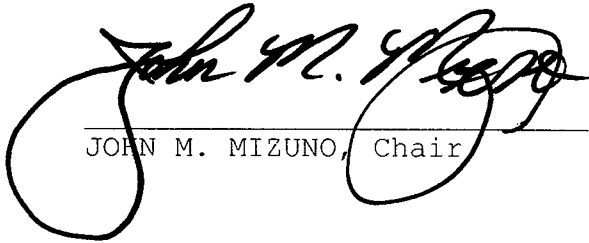
- (4) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committees respectfully request your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of \$24,000,000 out of the Nursing Facility Sustainability Program Special Fund.

As affirmed by the records of votes of the members of your Committees on Human Services and Health & Homelessness that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1369, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1369, H.D. 1, and be referred to your Committee on Finance.

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

  
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DELLA AU BELATTI, Chair

  
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JOHN M. MIZUNO, Chair





Record of Votes of the Committee on Health & Homelessness

<b>Bill/Resolution No.:</b> <i>HB1369</i>	<b>Committee Referral:</b> <i>HUS/HLT, FIU</i>	<b>Date:</b> <i>2/7/23</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. BELATTI, Della Au (C)	/			
2. TAKENOUCHI, Jenna (VC)	/			
3. AMATO, Terez	/			
4. ILAGAN, Greggor	/			
5. KOBAYASHI, Bertrand	/			
6. MIZUNO, John M.	/			
7. NISHIMOTO, Scott Y.	/			
8. GARCIA, Diamond	/			
<b>TOTAL (8)</b>	<i>8</i>			
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				