

Honolulu, Hawaii

FEB 16 2007

RE: S.B. No. 973
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committees on Health and Human Services and Public Housing, to which was referred S.B. No. 973 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC HEALTH,"

beg leave to report as follows:

The purpose of this measure is to ensure that uninsured and under-insured individuals have access to quality health care.

The measure accomplishes this goal by:

- (1) Establishing a process by which federally qualified health centers and rural health centers receive supplemental Medicaid payments;
- (2) Providing for prospective payment system rates to be adjusted for any adjustment in the scope of services; and
- (3) Appropriating funds for federally qualified health centers and rural health centers to provide health care services to uninsured residents of Hawaii.

Your Committees received testimony in support of this measure from the Hawai'i Primary Care Association; Healthcare Association of Hawaii; the Waikiki Health Center; Kalihi-Palama Health Center; the West Hawaii Community Health Center, Inc.; Ho'ola Lahui Hawai'i; the Community Clinic of Maui; Hamakua Health Center; Waianae Coast Comprehensive Health Center; Kokua Kalihi Valley;



Moloka'i Community Health Center; Waimanalo Health Center; and seven individuals. The Department of Human Services submitted testimony supporting the intent of this measure. The Department of Health and Hawaii Primary Care Association submitted comments on this measure.

Your Committees find that federally qualified health centers and rural health centers are the most effective system for ensuring that quality health care services are provided to individuals who are uninsured or under-insured. Your Committees further find that these community health centers have continued to experience an increase in the number of patients and families in need of health care services.

Your Committees also find that, to ensure the viability of community health centers, subsidies are necessary to care for the uninsured. In addition, changes to the Med-QUEST preferred payment system rules are imperative to ensure that community health centers receive timely and adequate compensation.

Your Committees have amended this measure by:

- (1) Changing the time requirement, for the Department of Human Services to review reports and notify rejections, from ninety days to within one hundred twenty days;
- (2) Clarifying that federally qualified health centers or rural health centers proposed projected rate shall be calculated based on a consolidated basis, where the federally qualified health center or rural health center takes all costs for the facility that would bring in both the costs included in the base rate as well as the additional costs for the change, as long as the federally qualified health center or rural health center had filed its baseline cost report based on total consolidated costs;
- (3) Providing that the Department of Human Services may disallow a per cent of the rate increase, to account for cost increases associated with normal inflation increase of costs included in the base rate;
- (4) Including dental hygienist in the definition of health professional;



- (5) Including as reimbursable services those provided to a patient that has one or more visits for other services such as dental, behavioral health, or optometry. Medicaid will pay for a maximum of one visit per day for each of these services in addition to one medical visit;
- (6) Clarifying the requirement that all payments owed by the Department of Human Services shall be made within two hundred ten days from the department's initial receipt of the report for final settlement as specified in the sections above;
- (7) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (8) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 973, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 973, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services and Public Housing,

Suzanne Chun Oakland

SUZANNE CHUN OAKLAND, Chair


David Y. Ige

DAVID Y. IGE, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii


Record of Votes
Committee on Health
HTH

Bill / Resolution No.:*	Committee Referral:	Date:
SB 973	HTH/HSP, WAM	2/13/07
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
IGE, David Y. (C)	✓	
FUKUNAGA, Carol (VC)	✓	
BAKER, Rosalyn H.	✓	
MENOR, Ron		✓
WHALEN, Paul	✓	
TOTAL	4	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency		

*Only one measure per Record of Votes

The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Human Services and Public Housing
HSP

Bill / Resolution No.:* SB 913	Committee Referral: HTH / HSP, WAM	Date: 2-13-07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
SAKAMOTO, Norman	✓			
HEMMINGS, Fred				✓
TOTAL	3	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

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