
HOUSE CONCURRENT RESOLUTION

REQUESTING THE CENTERS FOR MEDICARE AND MEDICAID SERVICES TO
INCREASE REIMBURSEMENT TO HAWAII PROVIDERS.

1 WHEREAS, federal statutes require the United States
2 Secretary of Health and Human Services, through its Centers for
3 Medicare and Medicaid Services, to establish the Medicare fee
4 schedules for all Medicare localities in the nation and its
5 territories; and
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7 WHEREAS, under the fee schedules, each medical service,
8 treatment, or procedure, as identified by its CPT code, is
9 assigned a fee which is basically the product of a set of
10 relative value units multiplied by a conversion factor; and
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12 WHEREAS, each fee is adjusted upward or downward for each
13 Medicare locality through a set of geographic practice cost
14 indices, which are multiplied with the corresponding set of
15 relative value units; and
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17 WHEREAS, the Centers for Medicare and Medicaid Services
18 establishes the numeric values for the relative value units,
19 conversion factors, and geographic practice cost indices; and
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21 WHEREAS, the geographic practice cost indices, in
22 particular, reflect the relative cost differences in a given
23 area in comparison to the national average such that an area
24 with costs above the national average would have an index
25 greater than 1.00 while an area with costs below the national
26 average would have an index less than 1.00; and
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28 WHEREAS, however, the geographic practice cost index for
29 the physician work component in 2009 now reflects a 1.00 floor
30 for all Medicare localities; and
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1 WHEREAS, the geographic practice cost indices for the
2 single Medicare locality of Hawaii and Guam in 2009 are
3 established at 1.00 for the physician work component, 1.161 for
4 the practice expense component, and 0.665 for the malpractice
5 cost component; and
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7 WHEREAS, in contrast the average geographic practice cost
8 indices among the 89 Medicare localities in the nation and its
9 territories in 2009 are 1.017 for the physician work component,
10 1.009 for the practice expense component, and 0.894 for the
11 malpractice cost component; and
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13 WHEREAS, accordingly, the single locality of Hawaii and
14 Guam is below the national average for the physician work and
15 malpractice cost components but higher than the national average
16 for the practice expense component of the geographic practice
17 cost indices; and
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19 WHEREAS, the United States Secretary, through the Centers
20 for Medicare and Medicaid Services, is statutorily required to
21 periodically review and adjust the geographic practice cost
22 indices for all fee schedule areas; now, therefore,
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24 BE IT RESOLVED by the House of Representatives of the
25 Twenty-fifth Legislature of the State of Hawaii, Regular Session
26 of 2009, the Senate concurring, that the Centers for Medicare
27 and Medicaid Services is requested to raise the geographic
28 practice cost indices for Hawaii upon its next periodic review
29 and adjustment by, among other things, considering whether
30 Hawaii should be established as a single locality separate from
31 Guam; and
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33 BE IT FURTHER RESOLVED that certified copies of this
34 Concurrent Resolution be transmitted to the Administrator of the
35 Centers for Medicare and Medicaid Services, the United States
36 Secretary of Health and Human Services, and the members of
37 Hawaii's congressional delegation.
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