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# HOUSE CONCURRENT RESOLUTION

REQUESTING THE CENTERS FOR MEDICARE & 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 Current Procedural  
9 Terminology code, is assigned a fee which is basically the  
10 product of a set of relative value units multiplied by a  
11 conversion factor; and

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13           WHEREAS, each fee is adjusted upward or downward for each  
14 Medicare locality through a set of geographic practice cost  
15 indices, which are multiplied with the corresponding set of  
16 relative value units; and

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18           WHEREAS, the Centers for Medicare & Medicaid Services  
19 establishes the numeric values for the relative value units,  
20 conversion factors, and geographic practice cost indices; and

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22           WHEREAS, the geographic practice cost indices, in  
23 particular, reflect the relative cost differences in a given  
24 area in comparison to the national average such that an area  
25 with costs above the national average would have an index  
26 greater than 1.00 while an area with costs below the national  
27 average would have an index less than 1.00; and

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29           WHEREAS, however, the geographic practice cost index for  
30 the physician work component in 2009 now reflects a 1.00 floor  
31 for all Medicare localities; and

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 eighty-nine Medicare localities in the nation  
9 and its territories in 2009 are 1.017 for the physician work  
10 component, 1.009 for the practice expense component, and 0.894  
11 for the 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 & 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 Medicaid Services is requested to raise the geographic practice  
28 cost indices for Hawaii upon its next periodic review and  
29 adjustment by, among other things, considering whether Hawaii  
30 should be established as a single locality separate from Guam;  
31 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 & Medicaid Services, the United States  
36 Secretary of Health and Human Services, and the members of  
37 Hawaii's congressional delegation.