

Honolulu, Hawaii

MAR 30 2012

RE: S.R. No. 45
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Human Services and Health, to which was referred S.R. No. 45 entitled:

"SENATE RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES AND THE DEPARTMENT OF HEALTH TO DEVELOP A PILOT DEMONSTRATION PROGRAM FOCUSED ON THE TOP FIVE PERCENT OF MEDICAID BENEFICIARIES WHOSE CARE NEEDS ACCOUNT FOR A SIGNIFICANT PORTION OF MEDICAID EXPENDITURES IN THE STATE,"

beg leave to report as follows:

The purpose and intent of this measure is to request the Department of Human Services and the Department of Health to:

- (1) Develop a two-year pilot demonstration program that:
 - (A) Focuses on the top five percent of Medicaid beneficiaries whose health care needs account for a significant portion of Medicaid expenditures in the State;
 - (B) Coordinates services to the highest need, highest cost Medicaid beneficiaries;
 - (C) Includes an outpatient care component with comprehensive health care and social services; and
 - (D) Identifies methods of reducing potentially avoidable costs due to care defects and emergency room admissions; and



- (2) Submit a report to the Legislature on the status of the pilot demonstration project no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committees received testimony in support of this measure from United Self Help and one individual.

Your Committees find that potentially avoidable costs of patient care recognized as the result of care defects account for twenty-two percent of all private-sector health care expenditures in the United States. Data shows that potentially avoidable costs can account for as much as eighty percent of all dollars spent for severe health conditions that require intensive management.

Your Committees also find that demonstration programs that focus on and incentivize the coordination of care can result in improved health care provision and a reduction in overall health care costs. This measure requests the Department of Human Services and the Department of Health to develop a pilot demonstration program to focus on the top five percent of Medicaid beneficiaries and identify methods of reducing potentially avoidable costs due to care defects and emergency room admissions.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 45, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 45, S.D. 1.

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



JOSH GREEN, M.D., Chair



SUZANNE CHUN OAKLAND, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* SR45	Committee Referral: HMS/HTH, WAM	Date: 3/28/12		
<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)				/
GREEN, M.D., Josh	/			
SLOM, Sam	/			
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 Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

