

STAND. COM. REP. NO. 3303

Honolulu, Hawaii

APR 04 2014

RE: H.B. No. 2293
H.D. 2
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2293, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HOSPITAL SUSTAINABILITY PROGRAM,"

begs leave to report as follows:

The purpose and intent of this measure is to increase access to medical care and make Hawaii hospitals more sustainable.

Specifically, this measure:

- (1) Continues the hospital sustainability program by extending its sunset date to June 30, 2015, and the hospital sustainability program special fund to December 31, 2015;
- (2) Makes an appropriation to be used for the purposes of the hospital sustainability program; and
- (3) Exempts the hospital sustainability program special fund from the five per cent deduction assessed upon special funds for central service expenses.

Your Committee received written comments in support of this measure from the Department of Human Services, Hawaii Health Systems Corporation, Healthcare Association of Hawaii, Hawaii Primary Care Association, and The Chamber of Commerce of Hawaii.

HB2293 SD2 SSCR 14-2327.doc



Your Committee finds that the Legislature created the hospital sustainability program by enacting Act 217, Session Laws of Hawaii 2012, to increase Medicaid payments to hospitals because the existing payments did not match the actual costs of care. Your Committee further finds that the program makes hospitals more sustainable by assessing a fee on hospitals, using the revenue to obtain matching federal medicaid funds, and returning a majority of the combined amount to the hospitals.

Your Committee believes that the hospital sustainability program should be continued and enhanced. Accordingly, this measure will extend the sunset date of the program and exempt the hospital sustainability program special fund from the five per cent deduction assessed upon special funds for central service expenses.

Your Committee has amended this measure by:

- (1) Changing the percentage of the inpatient hospital sustainability fee and the amount of the appropriation for the hospital sustainability program to an unspecified percentage and unspecified sum, respectively;
- (2) Extending the repeal date of exemptions for the hospital sustainability program special fund from assessments for central service expenses and departmental administrative expenses under sections 36-27 and 36-30, Hawaii Revised Statutes, respectively, to match the repeal date of the special fund; and
- (3) Changing the effective date to June 29, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2293, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2293, H.D. 2, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

David V. Ige

DAVID V. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 2293 HD2, SD1	Committee Referral: HTH/HMS, WAM	Date: 3-28-14		
<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)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert				✓
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
	12	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes