

STAND. COM. REP. NO. 3008

Honolulu, Hawaii

MAR 21 2014

RE: H.B. No. 2294
H.D. 1
S.D. 1

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

Madam:

Your Committee on Human Services, to which was referred H.B. No. 2294, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to provide Hawaii residents with increased access to long-term care and more sustainable nursing facilities by:

- (1) Extending the nursing facility sustainability program for one year, and making corresponding amendments to the sunset of its special fund and the use of revenues to enhance the capitated rates paid to Medicaid managed care health plans; and
- (2) Appropriating funds out of the nursing facility sustainability program special fund to be used for the nursing facility sustainability program.

Your Committee received testimony in support of this measure from the Department of Human Services, Chamber of Commerce Hawaii, Hawaii Health Systems Corporation, Hawaii Long Term Care Association, and Healthcare Association of Hawaii.

Your Committee finds that funding the nursing facility sustainability program is necessary to increase the sustainability



of nursing facilities, which provide a long-term safety net for the State's aging population. Your Committee received testimony on this measure indicating that, without an exemption from section 36-27, Hawaii Revised Statutes, the nursing facility sustainability program will have to pay approximately \$500,000 per year in central service expenses assessments, which inhibits the program's ability to sustain nursing facilities and improve services to Medicaid recipients.

Your Committee has amended this measure by:

- (1) Making the nursing facility sustainability program special fund statutorily exempt from central services fees assessed under section 36-27, Hawaii Revised Statutes;
- (2) Inserting an appropriation amount of \$12,000,000 to ensure that the State is able to match the maximum amount of federal funds to benefit nursing facilities statewide;
- (3) Inserting an effective date of June 29, 2014, with an effective date of July 1, 2014, for the appropriation; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2294, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2294, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Human Services,



SUZANNE CHUN OAKLAND, Chair



