

Honolulu, Hawaii

February 20, 2015

RE: H.B. No. 581

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 581
entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Extend the Hospital Sustainability Program for one year to continue maximizing the amount of federal funds private hospitals receive and federal matching funds public hospitals receive to help preserve access to health care for Medicaid recipients and sustain the State's health care system;
- (2) Revise the funding amounts for the Hospital Sustainability Program Special Fund for Fiscal Year 2015-2016; and
- (3) Make other changes to the Hospital Sustainability Program.

The Hawaii Health Systems Corporation, Healthcare Association of Hawaii, The Queen's Health Systems, The Chamber of Commerce of Hawaii, and Hawaii Primary Care Association testified in support of this measure. The Department of Human Services and Department of the Attorney General commented on this measure.



Your Committee has amended this measure by:

- (1) Preserving the exemptions from the administrative expenses assessment under section 36-30, Hawaii Revised Statutes, and the central services expenses assessment under section 36-27, Hawaii Revised Statutes, through December 31, 2016;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 581, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 581, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Health,

Delia A. Belatti

DELLA AU BELATTI, Chair



