

Honolulu, Hawaii

APR 10 2015

RE: H.B. No. 582
H.D. 1
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 582, H.D. 1, S.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 amend and extend the nursing facility sustainability program.

More specifically, the measure:

- (1) Repeals an exemption for the nursing facility sustainability program special fund from central services expenses and departmental administrative expenses;
- (2) Continues the nursing facility sustainability program for one additional year; and
- (3) Appropriates funds from the nursing facility sustainability program special fund for fiscal year 2015-2016.

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



Department of the Attorney General submitted written comments on the measure.

Your Committee finds that Medicaid payments to nursing facilities are below the actual costs of care, and that the Legislature therefore created the nursing facility sustainability program to increase Medicaid payments to nursing facilities.

Your Committee further finds that, because the majority of residents in Hawaii's nursing facilities are Medicaid enrollees, the nursing facility sustainability program helps promote the financial solvency of those facilities to ensure that the residents have access to quality care.

Accordingly, your Committee believes that the nursing facility sustainability program should be extended for an additional year.

Your Committee has amended this measure by:

- (1) Revising sections 36-27(a) and 36-30(a), Hawaii Revised Statutes, to reflect how those sections will appear on the effective date of this measure, December 31, 2016, after those sections will be reenacted on June 30, 2015, in the form in which they read on June 30, 2009, pursuant to Act 79, Session Laws of Hawaii 2009, with the addition of subsequent amendments that were exempted from the repeal and reenactment provisions of that Act;
- (2) Adding language to clarify that this measure amends Act 156, Session Laws of Hawaii 2012, by amending:
 - (a) Section 2 of Act 156, in Section 3 of the measure; and
 - (b) Section 5 of Act 156, in Section 4 of the measure; and
- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

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. 582, H.D. 1, S.D. 1, as amended herein, and recommends that it



pass Third Reading in the form attached hereto as H.B. No. 582,
H.D. 1, S.D. 2.

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



JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB582, HD1, SD1	HSH / HTH, WAM	3/31/15		
<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
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood				✓
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam				✓
TOTAL	8	0	0	3
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes