

Honolulu, Hawaii

FEB 16 2021

RE: S.B. No. 1132
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 1132 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Ensure access to health care for Medicaid recipients by establishing a Medicaid sustainability fee assessed on health insurers;
- (2) Establish a limited-term Medicaid sustainability program special fund to receive money from the Medicaid sustainability fee and federal Medicaid matching funds; and
- (3) Provide for the use of the money in the Medicaid sustainability program special fund.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawai'i Primary Care Association, and Ohana Health Plan. Your Committee received comments on this measure from Hawaii Medical Services Association.



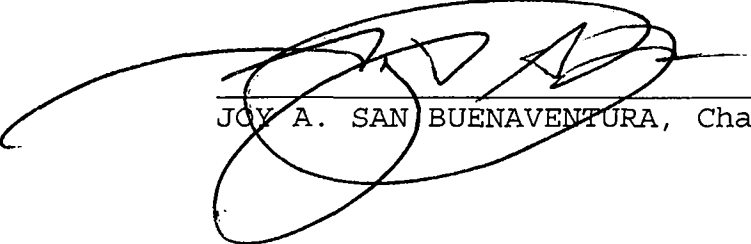
Your Committee finds that by collecting fees assessed on health insurers for a two-year period, with a limited purpose, the Medicaid Sustainability Program created by this measure will preserve access to much-needed critical healthcare services without compromising or reducing current provider rates, beneficiary eligibility, benefits, and choice of health plans. Further, your Committee finds that given the State's unprecedented budget shortfall, the program will allow the State to draw down increased federal Medicaid matching funds to help fill the revenue gaps and balance the State's budget, provided that the program does not negatively impact the financial well-being of health plans and permits the State to repeal the Medicaid sustainability fee when it is no longer needed.

Your Committee, accordingly, has amended this measure by:

- (1) Adding language to the definition of "health insurer" to exclude "not-for-profit" health plans;
- (2) Removing language from the definition of "member month";
- (3) Inserting an effective date of May 1, 2029, to encourage further discussion; 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 S.B. No. 1132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1132, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

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



JOY A. SAN BUENAVENTURA, Chair



