

STAND. COM. REP. NO.

1511

Honolulu, Hawaii

APR 07 2017

RE: H.B. No. 89
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 89, H.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 preserve access to healthcare for Medicaid recipients by extending the hospital sustainability program for two years.

In addition, this measure:

- (1) Clarifies that the rate of the outpatient hospital sustainability fee shall not exceed three percent of net outpatient hospital service revenue;
- (2) Allows the Department of Human Services (DHS) to exclude any facility from the hospital sustainability fee on outpatient care services if its exclusion is required to meet federal standards of approval; and
- (3) Appropriates funds out of the hospital sustainability program special fund for fiscal years 2017-2018 and 2018-2019.



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

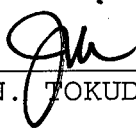
Your Committee finds that the provider fees collected through the hospital sustainability program have helped the State obtain additional federal funds to increase Medicaid payments to hospitals. Your Committee further finds that the increased payments to hospitals under this program have improved the financial stability of the State's healthcare system.

Your Committee has amended this measure by:

- (1) Appropriating \$65,000,000 annually out of the hospital sustainability program special fund for fiscal years 2017-2018 and 2018-2019;
- (2) Changing its effective date to June 29, 2017, provided section 7 takes effect on July 1, 2017; and
- (3) Making a technical amendment for grammatical purposes.

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. 89, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 89, H.D. 1, S.D. 1.

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

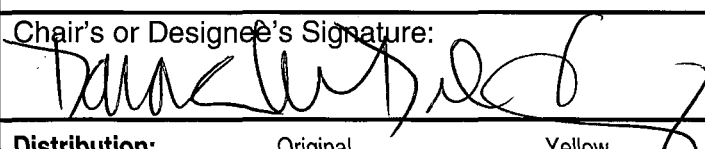


JILL N. TOKUDA, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 89, HD1	Committee Referral: HMS/CPH, WAM	Date: 3/28/17		
<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)	/			
DELA CRUZ, Donovan M. (VC)	/			
ENGLISH, J. Kalani				/
GALUTERIA, Brickwood	/			
HARIMOTO, Breene				/
INOUE, Lorraine R.				/
KAHELE, Kaiali'i				/
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
TOTAL	7			4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes