

Honolulu, Hawaii

MAR 16 2023

RE: H.B. No. 1369
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred H.B. No. 1369, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO NURSING FACILITIES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Repeal the sunset dates of Act 156, Session Laws of Hawaii 2012, and Act 124, Session Laws of Hawaii 2014, to make the Nursing Sustainability Program permanent and permanently exempt the program from the central service and administrative expenses assessments;
- (2) Repeal the Nursing Facility Tax; and
- (3) Appropriate an unspecified amount of funds from the Nursing Facility Sustainability Program Special Fund.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawai'i Primary Care Association, Healthcare Association of Hawaii, The Queen's Health System, Kaiser Permanente Hawai'i, and Hawai'i Pacific Health. Your Committee received comments on this measure from the Department of Taxation.



Your Committee finds that, in recognition that reimbursements from Medicaid to nursing facilities are less than the actual costs of care provided to Medicaid recipients, the Legislature established the Nursing Facility Sustainability Program and the Nursing Facility Sustainability Program Special Fund in 2012 to increase Medicaid payments to nursing facilities. The program functions by assessing provider fees on health care items or services provided by nursing facilities and using the collected fees as a basis to obtain federal Medicaid matching funds. The aggregate state and federal funds are then distributed to nursing facilities as supplemental payments to reduce uncompensated Medicaid losses, which has successfully helped Hawaii's nursing facilities continue to treat the most vulnerable patients in the State. The program, however, is scheduled to be repealed on December 31, 2023, with funding provisions scheduled to repeal on June 30, 2024. This measure will enhance and make the Nursing Facility Sustainability Program permanent, which will preserve and improve access to quality health care for Medicaid recipients in the State.

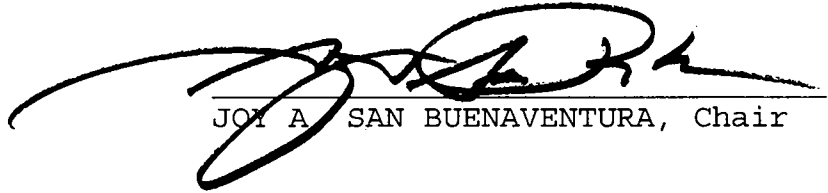
Your Committee has amended this measure by:

- (1) Amending other provisions within the Hawaii Revised Statutes to conform to the statutory amendments made by this measure;
- (2) Making it effective upon its approval; and
- (3) 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 Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1369, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1369, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.



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



JOY A. SAN BUENAVENTURA, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Health and Human Services
HHS

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1369 HD1	HHS, WAM	03/13/23

The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
SAN BUENAVENTURA, Joy A. (C)	✓			
AQUINO, Henry J.C. (VC)	✓			
MORIWAKI, Sharon Y.	✓			
SHIMABUKURO, Maile S.L.	✓			
AWA, Brenton	✓			
TOTAL	5			

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:

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***Only one measure per Record of Votes**