

Honolulu, Hawaii

MAR 17 2008

RE: H.B. No. 2795  
H.D. 1  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Madam:

Your Committees on Health and Human Services and Public Housing, to which was referred H.B. No. 2795, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAID,"

beg leave to report as follows:

The purpose of this measure is to ensure that the community health center system remains financially viable and stable in the face of the increasing needs of the population of uninsured and underinsured residents.

Specifically, this measure establishes a process that enables community health centers and rural health clinics to receive supplemental Medicaid payments and seek modifications to their scope of services. In addition, this measure appropriates funds to adequately pay federally qualified community health centers for services for the uninsured.

Your Committees received testimony in support of this measure from Hawaii Primary Care Association; Waianae Coast Comprehensive Health Center; Waimanalo Health Center; Kalihi-Palama Health Center; Waikiki Health Center; West Hawaii Community Health Center, Inc.; Hamakua Health Center, Inc.; Molokai Community Health Center; Kokua Kalihi Valley; and Bay Clinic, Inc. The Department of Health submitted comments on this measure.

Your Committees find that federally qualified health centers and rural health clinics are essential components of Hawaii's



health care system. Two of the most important sources of operating revenues for these community health centers are the Med-QUEST program and subsidies for care for the uninsured. These revenue sources continue to provide inadequate funding and reimbursements that are more than a year overdue, causing the much needed community health centers to be financially unstable and putting the public's health at risk.

Your Committees amended this measure by:

- (1) Deleting its contents and inserting language that will make the State federally compliant with all established deadlines;
- (2) Inserting language that simplifies the process by which federally qualified health centers and rural health clinics receive supplemental Medicaid payments and authorizes the prospective payment system rates to be adjusted for changes in the scope of services furnished by participating federally qualified health centers and rural health clinics;
- (3) Inserting language that permits federally qualified health centers to bill for prenatal services;
- (4) Inserting an appropriation of an unspecified amount for the Department of Health to pay for direct medical services to the uninsured; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Public Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2795, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2795, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committees on Health and Human  
Services and Public Housing,

Suzanne Chun Oakland  
SUZANNE CHUN OAKLAND, Chair


David Y. Ige  
DAVID Y. IGE, Chair





The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Human Services and Public Housing**  
**HSP**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2795, HD 2	HTH, HSP, WAM	3/12/08		
<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
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
HOOSER, Gary L.	✓			
SAKAMOTO, Norman	✓			
HEMMINGS, Fred				✓
<b>TOTAL</b>	4	-	-	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

\*Only one measure per Record of Votes