

---

---

## A BILL FOR AN ACT

RELATING TO HUMAN SERVICES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Medicaid, a health and long-term care coverage  
2 program serving qualified children, parents, and pregnant women  
3 with low income and seniors and disabled adults with low income,  
4 has been in effect since 1966. Funded with federal and state  
5 funds, medicaid provides certain mandatory benefits as well as  
6 optional benefits selected by the providing state.

7           The legislature finds that health care providers in the  
8 State face major financial challenges in providing a continuum  
9 of quality health care for Hawaii residents. This financial  
10 challenge is due in large part to increasing health care  
11 demands, the high cost of health care, and medicaid provider  
12 reimbursement rates that do not cover the actual costs of  
13 providing this care. Additionally, medicaid service providers  
14 have incurred further losses because of nonpayment and delays in  
15 payment for services they have provided.

16           Timely and sufficient medicaid payment and reimbursement to  
17 health care providers is imperative to ensure access to quality  
18 care and minimize the disruption of medically necessary services



1 for medicaid recipients, realize significant savings and  
2 efficiencies in providing these services, reduce the financial  
3 losses incurred by providers participating in the medicaid  
4 program, and ensure the continued viability of this essential  
5 program.

6 The purpose of this Act is to establish a task force to  
7 examine medicaid payment and reimbursement issues.

8 SECTION 2. (a) There is established within the department  
9 of human services for administrative purposes a task force on  
10 medicaid payment and reimbursement. The task force shall  
11 develop recommendations on improving the timeliness and adequacy  
12 of medicaid payment and reimbursement, based on the task force's  
13 examination of factors, including:

- 14 (1) The cost of treatment and services to patients;
- 15 (2) Medicaid methodologies and payment levels, including  
16 the amount of Federal Medical Assistance Percentage,  
17 or FMAP, the State receives from the federal  
18 government;
- 19 (3) The demand for institutionalized long-term care;
- 20 (4) Insufficient payments for health care from federal and  
21 state government payers;



- 1 (5) Nonpayment and untimeliness of medicaid provider  
2 reimbursement; and
- 3 (6) The impact of the Patient Protection and Affordable  
4 Care Act of 2010 on medicaid payment and  
5 reimbursements, which among other things creates a new  
6 national medicaid minimum eligibility level that  
7 covers most Americans with household incomes up to one  
8 hundred thirty-three per cent of the federal poverty  
9 level.
- 10 (b) The task force shall consist of the following members:
- 11 (1) The director of human services, or the director's  
12 designee, who shall serve as the chairperson of the  
13 task force;
- 14 (2) The director of health, or the director's designee;
- 15 (3) A representative from the Hawaii Medical Service  
16 Association;
- 17 (4) A representative from Kaiser Permanente;
- 18 (5) A representative from the Hawaii Medical Association;
- 19 (6) A representative from the Hawaii Primary Care  
20 Association;
- 21 (7) A representative from Hawaii Pacific Health; and



1           (8) A representative from the Hawaii Health Systems  
2           Corporation.

3           (c) The members of the task force on medicaid payment and  
4 reimbursement shall serve without compensation for their service  
5 on the task force but may be reimbursed for expenses, including  
6 travel expenses that are necessary for the performance of their  
7 duties. No member shall be made subject to chapter 84, Hawaii  
8 Revised Statutes, solely because of that member's participation  
9 as a member of the task force.

10           SECTION 3. The department of human services shall submit a  
11 report of the task force's findings and recommendations,  
12 including any proposed legislation, to the legislature no later  
13 than twenty days prior to the convening of the regular session  
14 of 2015.

15           SECTION 4. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$           or so much  
17 thereof as may be necessary for fiscal year 2014-2015 for the  
18 staffing, operations, and convening of the task force on  
19 medicaid payment and reimbursement, including any travel  
20 expenses that are necessary for the performance of the task  
21 force members' duties.




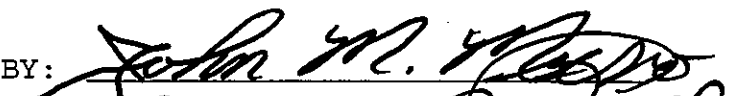

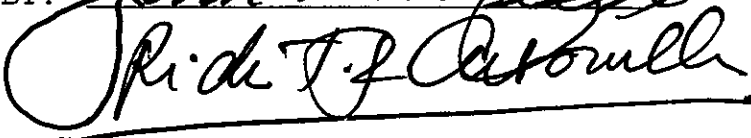


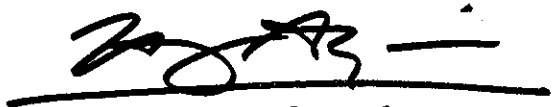

# H.B. NO. 1809

1           The sum appropriated shall be expended by the department of  
2 human services for the purposes of this Act.

3           SECTION 5. This Act shall take effect on July 1, 2014.

4

INTRODUCED BY:

JAN 17 2014

# H.B. NO. 1809

**Report Title:**

Task Force; Medicaid Payments and Reimbursement; Appropriation

**Description:**

Establishes the task force on medicaid payment and reimbursement. Appropriates funds for the staffing, operations, and convening of the task force. Effective July 1, 2014.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

