
A BILL FOR AN ACT

RELATING TO THE HOSPITAL SUSTAINABILITY PROGRAM.

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

1 SECTION 1. Act 217, Session Laws of Hawaii 2012, as
2 amended by section 1 of Act 141, Session Laws of Hawaii 2013, is
3 amended by amending section 2 as follows:

4 1. By amending the definitions of "net patient service
5 revenue" and "private hospital" in section -3, Hawaii Revised
6 Statutes, to read:

7 "Net patient service revenue" means gross revenue from
8 inpatient and outpatient care provided to hospital patients
9 converted to net patient revenue utilizing data from Worksheets
10 G-2 and G-3 of each hospital's medicare cost report for fiscal
11 year [~~2010-2011.~~] 2011-2012. If the hospital is new or did not
12 file a fiscal year medicare cost report, the department shall
13 obtain the hospital's net patient service revenue from the most
14 recent period available.

15 "Private hospital" means those non-public hospitals named
16 in attachment A of the medicaid section 1115 demonstration
17 waiver that were in operation in calendar year [~~2012~~] 2013 and
18 are currently operating."



1 2. By amending subsections (c) and (d) of section -5,
2 Hawaii Revised Statutes, to read:

3 "(c) The hospital sustainability fee for inpatient care
4 services may differ from the fee for outpatient care services
5 but the fees shall not in the aggregate exceed three per cent of
6 net patient service revenue as derived from the hospital's
7 medicare cost report ending during state fiscal year [~~2010-~~
8 ~~2011.~~] 2011-2012. The inpatient hospital sustainability fee
9 shall be [~~2.365~~] 2.175 per cent of net inpatient hospital
10 service revenue. The outpatient hospital sustainability fee
11 shall be three per cent of net outpatient hospital service
12 revenue. Each fee shall be the same percentage for all affected
13 hospitals, subject to subsection (d).

14 (d) The department shall exempt children's hospitals,
15 federal hospitals, public hospitals, rehabilitation hospitals,
16 psychiatric hospitals, and any hospital that was not in
17 operation during any part of calendar year [~~2012~~] 2013 from the
18 hospital sustainability fees on inpatient services. In
19 addition, the department shall exempt hospitals with net
20 outpatient revenue of less than [~~\$42,500,000~~] \$45,000,000 per
21 year (based on fiscal year [~~2010-2011~~] 2011-2012 reports),
22 public hospitals, and any hospital that was not in operation



1 during any part of calendar year [~~2012~~] 2013 from the hospital
2 sustainability fee on outpatient care services."

3 3. By amending subsection (a) of section -10, Hawaii
4 Revised Statutes, to read:

5 "(a) The department shall use moneys from the hospital
6 sustainability program special fund to make direct payments to
7 private hospitals in an amount equal to [~~\$81,309,367~~]
8 \$85,000,000 to cover the uncompensated care costs incurred by
9 private hospitals for serving medicaid and uninsured individuals
10 during state fiscal year [~~2013-2014.~~] 2014-2015."

11 4. By amending subsection (c) of section -10, Hawaii
12 Revised Statutes, to read:

13 "(c) Each eligible hospital's quarterly payment shall be
14 equal to one-quarter of its uncompensated care costs for the
15 fiscal year in which payment is made, as derived from the
16 uncompensated care costs reported by all private hospitals for
17 fiscal year [~~2010-2011.~~] 2011-2012."

18 SECTION 2. Act 217, Session Laws of Hawaii 2012, as
19 amended by section 2 of Act 141, Session Laws of Hawaii 2013, is
20 amended by amending section 5 to read as follows:

21 "SECTION 5. This Act shall take effect on July 1, 2012,
22 and shall be repealed on June 30, [~~2014,~~] 2015; provided that



1 section [~~4(e)~~] -4, Hawaii Revised Statutes, in section 2
2 of this Act shall be repealed on December 31, [~~2014~~] 2015."

3 SECTION 3. There is appropriated out of the hospital
4 sustainability program special fund the sum of \$ or so
5 much thereof as may be necessary for fiscal year 2014-2015 to be
6 used for the purposes of the hospital sustainability program
7 special fund.

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

10 SECTION 4. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 5. This Act shall take effect on June 29, 2030;
13 provided that section 3 shall take effect on July 1, 2014.



Report Title:

Hospital Sustainability Program; Special Fund; Appropriation

Description:

Continues the Hospital Sustainability Program by extending its sunset date to June 30, 2015, updating the referral dates in the statute, and revising the funding amount for the Hospital Sustainability Program for fiscal year 2014-2015. Effective June 29, 2030. (HB2293 HD2)

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