

---

---

# A BILL FOR AN ACT

RELATING TO FEDERALLY QUALIFIED HEALTH CENTERS.

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

1           SECTION 1. The legislature finds that nonprofit federally  
2 qualified health centers (FQHCs) provide critically-needed  
3 primary and preventive care to low-income communities throughout  
4 the state. FQHCs served seventy-five thousand individuals in  
5 2005, which is about six per cent of the state's population.  
6 Those who use FQHCs include twenty-five per cent of Hawaii's  
7 uninsured, seventeen per cent of medicaid/Quest beneficiaries,  
8 and about a third of the state's known homeless population.

9           The early treatment and preventive health programs provided  
10 by FQHCs often reduce later and costlier diagnoses at a savings  
11 to the state. By virtue of their mission to provide health care  
12 to low-income patients regardless of ability to pay, FQHCs have  
13 limited access to conventional borrowing for facility purchase,  
14 renovation, equipment replacement, modernization, or information  
15 system upgrades because lenders view them as higher risk  
16 enterprises. Furthermore, FQHCs have historically lacked funds  
17 for capital maintenance, leading to significant deferred  
18 maintenance capital needs. It is estimated that thirteen FQHCs



1 in the state currently have combined capital needs in excess of  
2 \$100,000,000.

3 The legislature finds that it is the policy of the State to  
4 promote the safety, health, and welfare of the people of the  
5 State through investment in this primary care services delivery  
6 system, by providing a revolving loan fund to assist in meeting  
7 the capital needs of FQHCs.

8 SECTION 2. Chapter 346, Hawaii Revised Statutes, is  
9 amended by adding a new section to be appropriately designated  
10 and to read as follows:

11 "§346- Community health center capital improvements  
12 revolving fund. (a) There is established in the state treasury  
13 the community health center capital improvements revolving fund  
14 to provide low interest loans for maintenance, repair, and  
15 construction of federally qualified community health centers.  
16 The revolving fund shall be administered by the director of  
17 human services.

18 SECTION 3. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$1 or so much thereof  
20 as may be necessary for fiscal year 2006-2007 for the community  
21 health center capital improvements revolving fund for the  
22 purposes of this Act.



1 SECTION 4. The director of finance is authorized to issue  
2 general obligation bonds in the sum of \$1 or so much thereof as  
3 may be necessary, and the same sum or so much thereof as may be  
4 necessary is appropriated for fiscal year 2006-2007 for the  
5 community health center capital improvements revolving fund for  
6 the purposes of this Act.

7 SECTION 5. There is appropriated out of the community  
8 health center capital improvements revolving fund the sum of \$2  
9 or so much thereof as may be necessary for fiscal year 2006-2007  
10 for federally qualified community health center capital  
11 improvements.

12 The sum appropriated shall be expended by the department of  
13 health for the purposes of this Act.

14 SECTION 6. New statutory material is underscored.

15 SECTION 7. This Act shall take effect upon its approval,  
16 except that sections 3, 4, and 5 shall take effect on July 1,  
17 2006.



**Report Title:**

Federally Qualified Health Centers

**Description:**

Creates the community health center capital improvements revolving fund. (HB3133 HD1)

HB3133 HD1 HMS 2006-1993

