
A BILL FOR AN ACT

RELATING TO ELDERLY CARE.

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

1 SECTION 1. The legislature finds that in 1991, the
2 legislature recognized the need for an alternative community-
3 based program that was comprehensive, prevented
4 institutionalization, and that contained long-term care costs.
5 The legislature appropriated over \$2,000,000 for a demonstration
6 project at Maluhia Hospital, known as PACE, or the program for
7 all inclusive care for the elderly. In 1992, and again in 2002,
8 the legislature extended the PACE demonstration project at
9 Maluhia Hospital.

10 Recognizing the overall success of similar projects
11 nationwide, Congress passed the "Balanced Budget Act of 1997",
12 which established PACE as a permanent type of provider under
13 Medicare and allows states the option to pay for PACE services
14 under Medicaid. Maluhia's PACE demonstration status was
15 continued until June 30, 2005, to provide the necessary
16 transition period into the new permanent status granted by the
17 federal agency and for the program to be included as an
18 amendment in the state plan. In 2005, the legislature again



1 extended the demonstration project to allow the PACE program
2 until 2007 to obtain permanent status.

3 In 2004, the Centers for Medicare and Medicaid Services
4 notified the department of human services that Hawaii's PACE
5 program was not in compliance with federal regulations. Since
6 then, the department of human services and Maluhia Hospital have
7 unsuccessfully attempted to resolve the compliance issues. As a
8 result, the department of human services has not been disbursing
9 to Maluhia Hospital the federal share of reimbursements for the
10 PACE program since October 2005. The lack of reimbursement has
11 created an undue financial burden on the PACE program and on
12 Maluhia Hospital. If difficulties over compliance cannot be
13 resolved before June 30, 2007, the PACE program will be
14 terminated by action taken in Act 40, Session Laws of Hawaii
15 2005, which extended the PACE program to June 30, 2007.

16 SECTION 2. Act 211, Session Laws of Hawaii 1992, as
17 amended by Act 338, Session Laws of Hawaii 1997, as amended by
18 Act 57, Session Laws of Hawaii 2002, and Act 40, Session Laws of
19 Hawaii 2005, is amended by amending section 8 to read as
20 follows:

21 "SECTION 8. This Act shall take effect on July 1, 1992,
22 and shall be repealed on June 30, [~~2007.~~] 2009."



1 SECTION 3. Act 338, Session Laws of Hawaii 1997, as
 2 amended by Act 57, Session Laws of Hawaii 2002, and Act 40,
 3 Session Laws of Hawaii 2005, is amended by amending subsection
 4 (b) of section 3 to read as follows:

5 "(b) The PACE program shall address these issues and
 6 report its findings to the legislature no later than twenty days
 7 before the convening of the regular session of 1998, 1999, 2000,
 8 2001, 2002, 2003, 2004, 2005, 2006, 2007[-], 2008, and 2009."

9 SECTION 4. There is appropriated out of the general
 10 revenues of the State of Hawaii the sum of \$, or so
 11 much thereof as may be necessary for fiscal year 2006-2007, to
 12 support elderly care.

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

15 SECTION 5. This Act shall take effect upon its approval;
 16 except that section 4 shall take effect on July 1, 2006.

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INTRODUCED BY: Alan A. Aokak
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HB NO. 3125

Report Title:

Elderly Care; PACE; Appropriations

Description:

Extends termination of PACE, the program for all inclusive care for the elderly from 6/30/2007 to 6/30/2009. Appropriates \$ to DHS.

