
A BILL FOR AN ACT

RELATING TO MEDICAL REIMBURSEMENT.

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

1 **PART I**

2 SECTION 1. Chapter 432, Hawaii Revised Statutes, is
3 amended by adding a new section to be appropriately designated
4 and to read as follows:

5 "§432- Reimbursement; medicare fee schedule. Effective
6 January 1, 2008, and for each succeeding calendar year
7 thereafter, each participating medical services provider within
8 the network of a mutual benefit society in the State shall be
9 reimbursed for the provision of medical services to patients,
10 whether a patient is a participant in a medicaid or QUEST
11 program or not, at a rate not less than one hundred per cent of
12 the medicare reimbursement amount that is in effect for the
13 current year and updated for each calendar year thereafter."

14 **PART II**

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



1 "§346- Reimbursement; hospitals and nursing facilities.
2 Effective January 1, 2008, and for each of the succeeding five
3 calendar years thereafter, each hospital or nursing facility
4 licensed by the state department of health shall be reimbursed
5 for the provision of medical services to patients, regardless of
6 whether a patient is a participant in a medicaid program, at a
7 rate of one hundred ten per cent of the medicaid reimbursement
8 rate in effect for the current year and updated for each
9 calendar year thereafter."

10 SECTION 3. Chapter 431, Hawaii Revised Statutes, is
11 amended by adding a new section to article 10A to be
12 appropriately designated and to read as follows:

13 "§431:10A- Reimbursement; hospitals and nursing
14 facilities. Effective January 1, 2008, and for each succeeding
15 calendar year thereafter, each hospital or nursing facility
16 licensed by the state department of health shall be reimbursed
17 for the provision of medical services to patients, regardless of
18 whether a patient is a participant in a medicaid program, at a
19 rate not less than one hundred per cent of the medicare
20 reimbursement amount applicable to Hawaii that is in effect for
21 the current year and updated for each calendar year thereafter."



1 SECTION 4. Chapter 432D, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§432D- Reimbursement; hospitals and nursing facilities.
5 Effective January 1, 2008, and for each succeeding calendar year
6 thereafter, each hospital or nursing facility licensed by the
7 state department of health shall be reimbursed for the provision
8 of medical services to patients, regardless of whether a patient
9 is a participant in medicaid, at a rate not less than one
10 hundred per cent of the medicare reimbursement amount that is in
11 effect for the current year and updated for each calendar year
12 thereafter."

13 SECTION 5. Section 346-59, Hawaii Revised Statutes, is
14 amended by amending subsection (b) to read as follows:

15 "(b) Rates of payment for outpatient hospital services,
16 but excluding emergency room services, and to providers of
17 medical care who are individual practitioners, including doctors
18 of medicine, dentists, podiatrists, psychologists, osteopaths,
19 optometrists, and other individuals providing services, shall be
20 based upon the Hawaii medicaid fee schedule. The amounts paid
21 shall not exceed the maximum permitted to be paid individual
22 practitioners or other [~~individuals~~] providers under federal law



1 and regulation, the medicare fee schedule for the current year,
2 the state limits as provided in the appropriation act, or the
3 provider's billed amount.

4 ~~[The appropriation act shall indicate the percentage of the~~
5 ~~medicare fee schedule for the year 2000 to be used as the basis~~
6 ~~for establishing the Hawaii medicaid fee schedule. For any~~
7 ~~subsequent adjustments to the fee schedule, the legislature~~
8 ~~shall specify the extent of the adjustment in the appropriation~~
9 ~~act.] Rates under the medicaid fee schedule shall be adjusted~~
10 each year for inflation by multiplying the rates in effect on
11 June 30 of each year by the sum of one plus the inflation factor
12 for the prior fiscal year. The inflation factor shall be based
13 on the latest available actual, or estimated if actual is not
14 available, national index for providers of medical care, who are
15 individual practitioners."

16 SECTION 6. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$, or so
18 much thereof as may be necessary for fiscal year 2007-2008, and
19 the same sum, or so much thereof as may be necessary for fiscal
20 year 2008-2009, for the purposes of this part.

21 The sums appropriated shall be expended by the department
22 of human services for the purposes of this part.



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PART III

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SECTION 7. Statutory material to be repealed is bracketed

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and stricken. New statutory material is underscored.

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SECTION 8. This Act shall take effect on July 1, 2020;

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provided that section 5 shall take effect on July 1, 2007.



Report Title:

Health Care; Reimbursements; Medicare; Medicaid

Description:

Requires health care plans to reimburse health care providers one hundred ten per cent of the medicaid or medicare reimbursement rate in effect for the current year and updated for each calendar year thereafter. (SD1)

