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# A BILL FOR AN ACT

RELATING TO HEALTH.

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

1           SECTION 1. The legislature finds that medicaid is the  
2           cornerstone of health care for our most needy population.  
3           Further, the legislature has previously recognized that it is in  
4           the public interest to ensure that health care payments made  
5           with state funds or controlled by the State are sufficient to  
6           cover the actual costs of care. However, inadequate payment and  
7           reimbursement from medicaid have compromised access to medical  
8           care not only for the uninsured and those covered by medicaid  
9           but also for individuals who are covered by private employer-  
10          based health insurance.

11           As documented in numerous media reports, the cost of  
12          medical care services, especially in specialty care coverage in  
13          rural areas and on the neighbor islands, has reached crisis  
14          proportions.

15           Hawaii's physicians serving medicaid eligible persons have  
16          been harmed by the inadequacy of medicaid reimbursements and  
17          payments.



1           The purpose of this Act is to increase the payment for  
2 physician services for medicaid-eligible persons including fee-  
3 for-service and QUEST-eligible individuals.

4           SECTION 2. There is appropriated out of the general  
5 revenues of the State of Hawaii the sum of \$8,000,000 or so much  
6 thereof as may be necessary for fiscal year 2009-2010 and the  
7 same sum or so much thereof that may be necessary for fiscal  
8 year 2010-2011 to increase moneys paid out for physician  
9 services for the care of medicaid eligible persons, including  
10 fee-for-service and QUEST physician services.

11           The sums appropriated shall be expended by the department  
12 of human services for the purposes of this Act; provided that:

13           (1) The sum is equitably distributed between medicaid fee-  
14 for-service physician services and health plans that  
15 provide QUEST physician services so that the health  
16 plans can increase the payment for these physician  
17 services; and

18           (2) The increased moneys, when added to the amount of  
19 reimbursement payable under the medicaid fee schedule,  
20 in no event, shall exceed one hundred per cent of the  
21 current medicare fee schedule applicable to Hawaii.



1           SECTION 3. The department of human services shall include  
2 in its supplemental budget request for fiscal year 2010-2011 a  
3 sum at least equal to the sum appropriated in section 2 in  
4 addition to its baseline medicaid request that will allow for  
5 increased moneys to be paid out for physician services for  
6 medicaid eligible persons, including fee-for-service and QUEST  
7 physician services. The department shall report the amount of  
8 the baseline medicaid sum and the additional funds to be paid  
9 out for physician services to the legislature no later than  
10 twenty days prior to the convening of the 2010 regular session.

11           SECTION 4. The department of human services shall report  
12 to the legislature no later than twenty days prior to the  
13 convening of the 2010 regular session with the amount of funding  
14 necessary to:

- 15           (1) Continue the increased payments for physician services  
16           up to one hundred per cent of the current medicare fee  
17           schedule applicable to Hawaii; and
- 18           (2) Increase payments up to one hundred per cent of the  
19           current medicare fee schedule applicable to Hawaii to  
20           all medicaid fee-for-service and QUEST providers, if  
21           approved.



1 SECTION 5. This Act shall take effect on July 1, 2009.

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INTRODUCED BY:

*John M. Pappas*

JAN 23 2009



**Report Title:**

Medicaid Fee Schedule; Rate Increase

**Description:**

Appropriates funds in FY 2009-2010 and 2010-2011 to increase payments for QUEST and medicare fee-for-service physicians up to 100% of the current medicare rate. Requires the department of human services to report to the legislature prior to the 2010 regular session (1) amount of baseline medicaid and additional funds needed for FY 2010-2011; and (2) amount of funding required to continue increased payments and to increase reimbursements for all fee-for-service providers. Requires the department of human services to seek an appropriation in an amount equal to at least the amount appropriated in 2009-2010 for additional payments.

