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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, according to the  
2 American College of Physicians,

3           (1) The United States health care system is poorly  
4           prepared to meet the current, and particularly the  
5           future, health care needs of the aging population;

6           (2) Health care costs are growing faster than the economy,  
7           leaving employers, government, and individuals  
8           straining under the financial burden; and

9           (3) Health care outcomes in the United States are poorer  
10           than in other industrialized nations that spend less  
11           on their health care systems.

12           The legislature further finds that our system of private  
13 and government-funded health insurance programs emphasize  
14 uncoordinated episodic treatment for acute care. Accordingly, a  
15 disproportionate amount of resources are paid for specialty,  
16 in-patient, and emergency department visits and procedures

1 compared to payments for good primary and preventive care and  
2 care management.

3 A successful model for health care services known as "the  
4 patient-centered health care home" model has resulted in better  
5 patient health and lower costs. This model is based on:

- 6 (1) Continuity in the relationship between the primary  
7 care provider and the patient;
- 8 (2) A whole-person/family orientation rather than a  
9 disease orientation;
- 10 (3) Integration and coordination of patient care;
- 11 (4) Processes that increase quality and reduce errors  
12 including use of electronic health records, technology  
13 that improves communication, and the development and  
14 measurement of outcomes; and
- 15 (5) Timely access to care that also overcomes any  
16 geographic, economic, and cultural barriers.

17 The legislature further finds that certain individuals and  
18 families require additional help to navigate the health care  
19 delivery system and to effectively make use of health care  
20 services. The services that provide this additional assistance  
21 are referred to as "enabling" services and are defined as:

- 1           (1) "Case management assessment" which means non-medical  
2           assessment that includes the use of an acceptable  
3           instrument measuring socioeconomic, wellness, or other  
4           non-medical health status;
- 5           (2) "Case management treatment facilitation" which means  
6           an encounter with a center-registered patient or their  
7           household or family member in which the patient's  
8           treatment plan is developed or facilitated by a case  
9           manager. The plan must incorporate the services of  
10          multiple providers or healthcare disciplines;
- 11          (3) "Case management referral" which means facilitation of  
12          a visit for a registered patient of the center to a  
13          healthcare or social service provider;
- 14          (4) "Financial counseling/eligibility assistance" which  
15          means counseling of a patient presumed to have a  
16          family income of three hundred per cent of the poverty  
17          level or less that results in a completed application  
18          to a sliding fee scale or health insurance program  
19          including medicaid or medicare;
- 20          (5) "Health education/supportive counseling-individual"  
21          which means provision of health education or  
22          supportive services to individuals in which wellness,

1 preventive disease management or other improved health  
2 outcomes are attempted through behavior change  
3 methodology;

4 (6) "Health education/supportive counseling-group" which  
5 means provision of health education or supportive  
6 services to groups of twelve or fewer in which  
7 wellness, preventive disease management or other  
8 improved health outcomes are attempted through  
9 behavior change methodology;

10 (7) "Interpretation" which means the provision of  
11 interpreter services by a third party, other than the  
12 primary care giver, intended to reduce barriers to a  
13 limited English-proficient patient or a patient with  
14 documented limitations in writing or speaking skills  
15 sufficient to affect the outcome of a medical visit or  
16 procedure;

17 (8) "Outreach" which means patient services that result in  
18 the conversion of a patient without a primary care  
19 provider to one who has been accepted into a  
20 provider's panel;

21 (9) "Transportation" which means providing direct  
22 assistance to a patient by an employee or contractor

1 of a primary care center in which access barriers are  
2 reduced for a patient that is assigned to a primary  
3 care panel at a community health center; and

4 (10) "Other" which means any other services provided by an  
5 employee or contractor of a primary care center in  
6 which access barriers are reduced for a patient that  
7 is assigned to a primary care panel at a community  
8 health center.

9 The purpose of this Act is to establish a pilot program to  
10 direct payment of certain state funds to federally qualified  
11 health centers to support these federally qualified health  
12 centers as patient-centered health care homes in order to  
13 improve patient care, reduce errors, and save overall costs to  
14 the state's health care system.

15 The federally qualified community health centers located in  
16 medically underserved areas or serving medically underserved  
17 populations have developed an appropriate model for a patient-  
18 centered health care home. The key standards for the model are  
19 community participation, cultural appropriateness, training and  
20 economic development, and the enabling services described above.

21 SECTION 2. (a) The department of health shall develop and  
22 implement the patient-centered health care homes pilot project,

1 for fiscal years 2009-2010 and 2010-2011, to provide primary  
2 health care funding to federally qualified health centers.

3 (b) Up to seventy-five per cent of the funds shall be used  
4 to pay for uninsured services on a fee for service basis as  
5 follows:

6 (1) Level I: \$95 per visit, during which the federally  
7 qualified health center provides a primary medical,  
8 behavioral health, or dental clinical visit, and all  
9 enabling services defined above, as needed. In  
10 addition, the federally qualified health center will  
11 assist uninsured patients with public insurance  
12 applications and track and report data on reasons that  
13 certain patients remain uninsured;

14 (2) Level II: \$100 per visit, during which all Level I  
15 services are provided and, in addition, the federally  
16 qualified health center reports on not less than one  
17 process or clinical outcome measure, as negotiated  
18 with the department of health; and

19 (3) Level III: \$105 per visit, during which all Level I  
20 services are provided and, in addition, the federally  
21 qualified health center reports on not less than six

1 performance measures negotiated with the department of  
2 health.

3 (c) At least twenty-five per cent of the funds, in  
4 addition to whatever portion of funds are not used to pay for  
5 the uninsured services on a fee for service basis, shall be used  
6 to support strengthening and improving federally qualified  
7 health centers including, quality improvement, care management,  
8 health information, enhanced access systems, emergency  
9 preparedness, and facility improvement.

10 SECTION 3. The department of health shall submit an  
11 interim report, including the progress of the pilot program and  
12 its funding sources, to the legislature no later than twenty  
13 days prior to the convening of the regular session of 2010. The  
14 department of health shall submit a final report including its  
15 progress and final recommendations on whether to make the pilot  
16 program permanent and any proposed legislation, to the  
17 legislature no later than twenty days prior to the convening of  
18 the regular session of 2011.

19 SECTION 4. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$ or so  
21 much thereof as may be necessary for fiscal year 2009-2010 and  
22 the same sum or so much thereof as may be necessary for fiscal

1 year 2010-2011 to provide primary health care funding to  
2 federally qualified health centers; provided that only moneys  
3 received by the State and deposited into the state general fund  
4 pursuant to the federal American Recovery and Reinvestment Act  
5 of 2009 may be expended for the purposes of this Act.

6 The sums appropriated shall be expended by the department  
7 of health for the purposes of this Act.

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



**Report Title:**

Health; Federally Qualified Health Centers; Pilot Program;  
Appropriation

**Description:**

Establishes a pilot program to direct payment of certain state funds to federally qualified health centers to support federally qualified health centers as patient-centered health care homes. Appropriates funds from federal stimulus legislation. (SD1)