
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 the passage of the
2 American Affordable Care Act of 2010 (ACA) places health care at
3 the forefront of our national domestic policy agenda. The ACA
4 aims to transform health care in America from a reactive,
5 fragmented, payment-oriented delivery system to a proactive,
6 comprehensive, quality-based consumer-centered way of living.
7 The ACA enacts policies that affect health care and healthy
8 lifestyles, including insurance market reforms, coverage
9 choices, affordability of coverage, and individual and employer
10 responsibilities, and investment in public health programs,
11 community health centers, workforce development, quality,
12 patient-centeredness, prevention, transparency, and
13 accountability. These coverage expansions and improvements
14 present both challenges and opportunities for states and
15 communities to successfully implement the ACA.

16 The legislature recognizes the enactment of the ACA as an
17 opportunity to transform Hawaii's health care system. The
18 legislature finds that the State is a partner with the federal



1 government in translating the provisions of the ACA into an
2 improved health care system and that the system is made up of
3 many interrelated parts. Perhaps the most significant part is
4 the network of federally qualified health centers (community
5 health centers).

6 Community health centers serve uninsured, low-income
7 patient populations with demographic complexities and co-
8 morbidities, medicaid members, and the homeless - those groups
9 who are most likely to be helped by the ACA and medicaid
10 expansion, in addition to privately insured individuals and
11 families. Community health centers:

- 12 (1) Are nonprofit, community-based organizations whose
13 purpose and expertise lie in providing quality person-
14 centered health care to underserved populations and
15 regions;
- 16 (2) Provide culturally and linguistically appropriate
17 health care and a broad range of primary care and
18 preventive services;
- 19 (3) Are located in medically underserved areas where
20 people have limited access to other health care
21 providers because of geographic and socio-economic
22 barriers;



1 (4) Contribute greatly to the economies and livability of
2 the communities they serve; and

3 (5) Are cost-effective providers whose care results in
4 healthier patients and decreased use of emergency,
5 specialty, and inpatient services.

6 Community health centers save the health care system \$1,262
7 per patient per year due to timely, effective care and care
8 management that reduces unnecessary emergency room, inpatient,
9 and specialty utilization. This translated to savings of nearly
10 \$160,000,000 in 2009. Community health centers' patient-
11 centered delivery system features comprehensive primary medical,
12 behavioral health, and dental services; and care management and
13 services that enhance access, compliance, and patient
14 engagement; and focuses on quality outcomes supported by
15 electronic health records that conform to meaningful use
16 requirements. Community health centers are a smart investment
17 that results in healthier communities while saving the State
18 money.

19 The legislature acknowledges that, although the ACA expands
20 the population that will be eligible for medicaid coverage and
21 private insurance, those provisions do not take place until
22 2014, leaving uncertainty for many and an increased number of



1 uninsured individuals as the economy continues to struggle.
2 Furthermore, as seen in Massachusetts following implementation
3 of that state's landmark health reform law, with the ACA
4 implementation community health centers may see an increase in
5 the number and proportion of the state's uninsured that are
6 treated at their facilities.

7 For these reasons, it is imperative that the State provide
8 support and resources that will synchronize the trajectory of
9 community health center growth with implementation of the ACA
10 provisions at the state level. Congress permanently authorized
11 community health centers and the National Health Service Corps
12 in the ACA because it recognized the community health center as
13 the medical model and system that will transform health care.
14 The ACA provides robust investment for operating costs, capital
15 infrastructure, and workforce development programs in rural
16 areas and community health centers over the next five years;
17 however, much of this funding is competitive and in jeopardy of
18 being restricted or eliminated.

19 The legislature finds that it is in the best interests of
20 the State to ensure access to primary and preventive health care
21 for its residents. In addition to facilitating a healthier
22 population, improving access to health care reduces state



1 expenditures attributable to hospital and emergency room
2 services for preventable injuries or illnesses. The legislature
3 recognizes the merit in supporting community health centers to
4 expand their capacity to serve the uninsured, which make up
5 approximately ten per cent of Hawaii's adult population, and to
6 become the health care home for the newly insured under the ACA.
7 The legislature further recognizes the need to develop
8 infrastructure and facilities for community health centers to
9 meet the demand for services.

10 SECTION 2. The legislature finds that the State's
11 federally matched medicaid and Med-QUEST programs form an
12 essential support for underserved individuals and for community
13 health centers. Among the medicaid programs that need to be
14 fully funded are dental benefits for adults and outreach and
15 enrollment services.

16 Oral health is as important as any other physical or mental
17 health need and dental diseases contribute to cardiac health and
18 premature births. Unaddressed dental needs affect the ability
19 of individuals to obtain and keep employment.

20 Med-QUEST programs offer insurance options for low-income
21 uninsured citizens. Under the ACA, such programs will expand to
22 accommodate additional uninsured adults. It is in the best



1 interests of the State to ensure that community programs reach
2 out to and assist individuals and families with children to
3 enroll in Med-QUEST programs for which they are eligible.

4 The legislature further finds that there are millions of
5 dollars available to community health center providers through
6 the ACA to pay for electronic health records for meaningful use.
7 Accordingly, the legislature supports the modest investment of
8 state funds to serve as the ten per cent match needed to
9 establish a state office for the purpose of assisting Hawaii in
10 obtaining its fair share of these funds.

11 Accordingly, the purpose of this Act is to appropriate
12 funds to provide quality, cost-effective health care for Hawaii
13 residents who are uninsured, newly insured, or privately insured
14 by supporting Hawaii's community health centers as they
15 transform from the safety net to the backbone of the health care
16 system by promoting person-centeredness, wellness, and healthy
17 living.

18 SECTION 3. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$8,000,000 or so much
20 thereof as may be necessary for fiscal year 2011-2012 and the
21 same sum or so much thereof as may be necessary for fiscal year
22 2012-2013 to pay for the provision of direct health care for the



1 uninsured at federally qualified health centers throughout the
2 State, which may include primary medical, dental, and behavioral
3 health care; provided that the distribution of funds may be on a
4 "per visit" basis, and may include an additional per member per
5 month quality incentive payment, taking into consideration the
6 need on all islands.

7 The sums appropriated shall be expended by the department
8 of health to provide resources to federally qualified health
9 centers throughout the State for the provision of direct health
10 care for uninsured persons.

11 SECTION 4. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$5,070,000 or so much
13 thereof as may be necessary for fiscal year 2011-2012 to be
14 expended by the department of human services to restore basic
15 adult dental benefits to medicaid enrollees. The department
16 shall obtain the maximum federal matching funds available for
17 this expenditure.

18 SECTION 5. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$100,000 or so much
20 thereof as may be necessary for fiscal year 2011-2012 to be
21 expended by the department of human services to comply with
22 federal regulations requiring at least one outstationed



1 eligibility worker to be placed at every federally qualified
2 health center site. The department shall obtain the maximum
3 federal matching funds available for this expenditure.

4 SECTION 6. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$600,000 or so much
6 thereof as may be necessary for fiscal year 2011-2012 to be
7 expended by the department of human services to provide outreach
8 to families with children eligible for medicaid and Children's
9 Health Insurance Program enrollment. The department shall
10 obtain the maximum federal matching funds available for this
11 expenditure.

12 SECTION 7. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$80,000 or so much
14 thereof as may be necessary for fiscal year 2011-2012 to be
15 expended by the department of human services to provide outreach
16 to families eligible for medicaid enrollment. The department
17 shall obtain the maximum federal matching funds available for
18 this expenditure.

19 SECTION 8. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$550,000 or so much
21 thereof as may be necessary for fiscal year 2011-2012 to be



1 expended by the department of human services for the immigrant
2 health initiative.

3 SECTION 9. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so
5 much thereof as may be necessary for fiscal year 2011-2012 to be
6 expended by the department of human services to establish an
7 office to promote meaningful use and certify the eligibility of
8 providers to obtain federal funds. The department shall obtain
9 the maximum federal matching funds available for this
10 expenditure.

11 SECTION 10. The following sums, or so much thereof as
12 shall be sufficient to finance the projects listed in this
13 section, are hereby appropriated out of the general revenues of
14 the State of Hawaii for fiscal year 2011-2012.

- 15 1. Lanai Community Health Center, Lanai
- 16 Design, construction, and
- 17 acquisition of land for the
- 18 construction of a new facility.
- 19 Total funding \$5,600,000
- 20 2. Waianae Coast Comprehensive Health
- 21 Center, Oahu



1 Design and construction of a new
2 satellite site and renovations to
3 existing facilities.
4 Total funding \$1,650,000

5 3. Hana Community Health Center, Maui
6 Design and construction of a
7 nutrition center, business dining
8 center, and kupuna group home
9 adult day care facility.
10 Total funding \$2,250,000

11 4. Kauai Community Health Center,
12 Kauai
13 Design and construction of a multi
14 use facility in Kapaa.
15 Total funding \$9,700,000

16 5. Molokai Community Health Center,
17 Molokai
18 Renovations to existing facilities
19 and buildings.
20 Total funding \$1,000,000

21 6. Kalihi Palama Health Center, Oahu



Report Title:

Department of Health; Department of Human Services; Federally Qualified Health Centers; Appropriation

Description:

Appropriates funds to the department of health and the department of human services to expand certain health care services to qualified individuals and to finance projects at designated federally qualified health centers throughout the State. (SD2)

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