
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 recent budgetary
2 reductions to the medicaid QUEST health care program will result
3 in fewer persons being eligible for benefits due to the change
4 in applicable income limits, which have been reduced from the
5 existing income limit of below two hundred per cent of the
6 federal poverty level to the new income limit of below one
7 hundred thirty-three per cent of the federal poverty level. The
8 change in program eligibility requirements will result in
9 disenrollment of approximately four thousand five hundred adults
10 from QUEST, making them uninsured.

11 The legislature further finds that twenty-seven per cent of
12 individuals at community health centers, or thirty-five thousand
13 individuals, are currently uninsured. In addition, eighty-five
14 per cent of community health center patients have incomes below
15 two hundred per cent of the federal poverty level, and
16 approximately half of the total patients seen by community
17 health centers are current medicaid enrollees. The legislature
18 finds that any changes to the medicaid program will



1 disproportionately affect community health centers because of
2 their patient demographics. The vast majority of newly
3 uninsured health care consumers who will be cut from the QUEST
4 program will either turn to community health centers for their
5 care or seek out hospital emergency department care, which
6 reports show is seven times more costly to the State than
7 providing basic coverage.

8 Community health centers serve uninsured individuals, low-
9 income patient populations with demographic complexities and co-
10 morbidities, medicaid members, the homeless, and privately
11 insured individuals and families. Community health centers:

- 12 (1) Are nonprofit, community-based organizations whose
13 purpose and expertise are to provide quality person
14 centered health care to underserved populations and
15 regions;
- 16 (2) Provide culturally and linguistically appropriate
17 health care including a broad range of primary care
18 and preventive services;
- 19 (3) Are located in medically-underserved areas where
20 individuals 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 in-patient services.

6 By helping avoid unnecessary emergency room, in-patient,
7 and specialty use, community health centers save the health care
8 system \$1,262 per year per patient. In 2009, community health
9 centers in Hawaii saved the State more than \$160,000,000, an
10 even greater savings than the \$128,000,000 realized in 2008.
11 Community health centers are a smart investment that results in
12 healthier communities while saving the state money.

13 Although the Patient Protection and Affordable Care Act,
14 P.L. 111-48, expands the population that will be eligible for
15 medicaid coverage and private insurance, those provisions will
16 not take effect until 2014, leaving uncertainty for many,
17 including the increased numbers of uninsured individuals, as
18 Hawaii's economy continues to struggle. Furthermore, as seen in
19 Massachusetts, following implementation of that state's landmark
20 health reform law, community health centers may see an increase
21 in the number and proportion of the state's uninsured that are



1 treated at their facilities after the federal law becomes
2 effective.

3 The purpose of this Act is to provide funding for quality,
4 cost-effective health care for Hawaii's uninsured.

5 SECTION 2. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$5,500,000 or so much
7 thereof as may be necessary for fiscal year 2012-2013 to carry
8 out the purposes of this Act, including the provision of primary
9 medical, dental, and behavioral health care for uninsured
10 persons through nonprofit community health centers; provided
11 that distribution of funds by the department of health may be on
12 a per-visit basis, and may include a per-member per-month
13 quality incentive payment, taking into consideration the need on
14 all islands.

15 The sum appropriated shall be expended by the department of
16 health for the purposes of this Act.

17 SECTION 3. This Act shall take effect on July 1, 2012.



Report Title:

Department of Health; Community Health Centers; Appropriation

Description:

Appropriates funds for the provision of health care services to uninsured persons through nonprofit community health centers.

Effective July 1, 2012. (HB2116 HD1)

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