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A BILL FOR AN ACT

RELATING TO MEDICAID.

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

1           SECTION 1. The legislature finds that the term "medical  
2 institution" can be vague. This is to clarify that a medical  
3 institution is any facility that includes the practice of  
4 medicine and also provides long-term care services at a nursing  
5 facility level of care.

6           The purpose of this Act is to define the term "medical  
7 institution" as being an institution created for the practice of  
8 medicine and also provides long-term care services at a nursing  
9 facility level of care.

10          SECTION 2. Section 346-1, Hawaii Revised Statutes, is  
11 amended by adding a new definition to be appropriately inserted  
12 and to read as follows:

13          "Medical institution" means, for the purposes of dealing  
14 with Medicaid liens in this chapter, an institution created for  
15 the practice of medicine and also provides long-term care  
16 services at a nursing facility level of care."

17          SECTION 3. New statutory material is underscored.

H .B. NO. 2450

1 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

Celina K. Day

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BY REQUEST

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JAN 23 2012

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H.B. NO. 2450

**Report Title:**

Medicaid; Reimbursements

**Description:**

Amends section 346-1, Hawaii Revised Statutes, to define the term "medical institution" as being an institution created for the practice of medicine and for caring for patients on a long-term basis.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Attorney General

TITLE: A BILL FOR AN ACT RELATING TO MEDICAID.

PURPOSE: The purpose of this Act is to define the term "medical institution" as being an institution created for the practice of medicine and for caring for patients on a long-term basis.

MEANS: Amend section 346-1, Hawaii Revised Statutes.

JUSTIFICATION: The term "medical institution" can be vague. This is to clarify that a medical institution is any facility that engages in the practice of medicine and also provides long-term care services at a nursing facility level of care. Section 346-29.5, Hawaii Revised Statutes, allows Medicaid liens to be placed on the real property of Medicaid recipients who are in a "medical institution." A definition would help to distinguish what types of institutions would fall within the statute in order to determine whether or not a lien may be properly placed on the recipient's real property.

Impact on the public: There will be an impact on the Medicaid recipient who owns real property and becomes institutionalized in a "medical institution" because a Medicaid lien will be placed on the real property.

Impact on the department and other agencies: This amendment will assist the Department of Human Services in its collections of reimbursements for its Medicaid liens by clarifying when a lien may be placed on the real property of a Medicaid recipient who

becomes an inpatient at a "medical institution."

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: None.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.