

JAN 19 2012

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

11 As documented in numerous media reports, the inadequacy of
12 medical care services, especially in specialty-care coverage in
13 rural areas and on the neighbor islands, has reached a critical
14 level. Furthermore, Hawaii's physicians serving
15 medicaid-eligible persons have been adversely affected by the
16 inadequacy of medicaid reimbursements and payments.

17 The purpose of this Act is to increase the payment for
18 physician services for medicaid-eligible persons, including



1 fee-for-service and QUEST-eligible individuals, and the QUEST
2 expanded care program.

3 SECTION 2. 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 2012-2013 to
6 increase payments for physician services for the care of
7 medicaid-eligible persons, including fee-for-service, QUEST
8 physician services, and the QUEST expanded care program.

9 The sum appropriated shall be expended by the department of
10 human services for the purposes of this Act; provided that:

11 (1) The sum is equitably distributed between medicaid fee-
12 for-service physician services and health plans that
13 provide QUEST physician services, including the QUEST
14 expanded care program, so that the health plans can
15 increase the payment for these physician services; and

16 (2) The sum, when added to the amount of reimbursement
17 payable under the appropriate medicaid fee schedule,
18 shall in no event exceed per cent of the
19 appropriate medicare fee schedule applicable to
20 Hawaii.

21 SECTION 3. The department of human services shall include
22 in its budget request for each year of the 2013-2015 fiscal



1 biennium a sum at least equal to the sum appropriated in section
2 2, in addition to its baseline medicaid request, that will allow
3 for increased moneys to be paid out for physician services for
4 medicaid-eligible persons, including fee-for-service and QUEST
5 physician services, including the QUEST expanded access
6 program. The department shall report the amount of the baseline
7 medicaid sum and the additional funds to be paid out for
8 physician services to the legislature no later than twenty days
9 prior to the convening of the regular sessions of 2013 and 2014.

10 SECTION 4. The department of human services shall report
11 to the legislature no later than twenty days prior to the
12 convening of the regular sessions of 2013 and 2014 the amount of
13 funding necessary to:

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

22



S.B. NO. 2120

1 SECTION 5. This Act shall take effect on July 1, 2012.

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Report Title:

Medicaid; Physician Services; Payments Increase; Appropriation

Description:

Appropriates funds for the 2012-2013 fiscal year to increase the payments for physician services to medicaid-eligible persons, including fee-for-service, QUEST provider services, and QUEST expanded access program up to a certain per cent of the current medicare rate. Requires the department of human services (DHS) to report to the legislature (1) baseline medicaid and additional funds needed for fiscal years 2013-2014 and 2014-2015, and (2) funding required to continue increased payments for physician services to medicaid-eligible persons. Requires DHS to seek an appropriation in an amount equal to at least the amount appropriated in 2012-2013 for additional payments for physician services during the 2013-2015 fiscal biennium.

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