
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 For a two year period beginning January 1, 2013, the
18 Affordable Care Act mandates that states reimburse primary care



1 providers at one hundred per cent of medicare rates for primary
2 care services provided to medicaid recipients. This increased
3 reimbursement will be one hundred per cent federally funded.
4 However, under the Affordable Care Act, reimbursement for
5 primary care services provided to children's health insurance
6 program recipients, namely children and pregnant women, will not
7 be increased.

8 The purpose of this Act is to increase the payment for
9 primary care physician services provided to children and
10 pregnant women covered under the children's health insurance
11 program to be equal to such reimbursement provided to medicaid
12 recipients.

13 SECTION 2. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so
15 much thereof as may be necessary for fiscal year 2012-2013 to
16 increase payments for primary care services provided by primary
17 care physicians for the care of children and pregnant women who
18 are enrolled in the children's health insurance program.

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

21 (1) The sum is equitably distributed among the fee-for-
22 service, QUEST, and QUEST Expanded Access health plans



1 based on the enrollment of children's health insurance
2 program recipients, so that payment for these
3 physician services can be increased; and

4 (2) The sum, when added to the amount of reimbursement
5 payable under the appropriate medicaid fee schedule,
6 shall in no event exceed per cent of the
7 appropriate medicare fee schedule applicable to
8 Hawaii.

9 SECTION 3. The department of human services shall include
10 in its budget request for each year of the 2013-2015 fiscal
11 biennium a sum at least equal to the sum appropriated in section
12 2, in addition to its baseline request for HMS 401, that will
13 allow for increased moneys to be paid out for primary care
14 services provided by primary care physicians to children's
15 health insurance program recipients. The department shall
16 report the amount of the baseline medicaid sum and the
17 additional funds to be paid out for physician services to the
18 legislature no later than twenty days prior to the convening of
19 the regular sessions of 2013 and 2014.

20 SECTION 4. This Act shall take effect on July 2, 2050.



Report Title:

CHIP; Physician Services; Payments Increase; Appropriation

Description:

Appropriates funds for the 2012-2013 fiscal year to increase the payments for primary care services provided by primary care physicians for the care of children and pregnant women who are enrolled in the Children's Health Insurance Program up to a certain per cent of the current medicaid rate. Requires the Department of Human Services to report to the legislature baseline medicaid and additional funds needed for fiscal years 2013-2014 and 2014-2015. Requires the Department of Human Services to seek an appropriation in an amount equal to at least the amount appropriated in 2012-2013 for additional payments for primary care services provided by primary care physicians to Children's Health Insurance Program recipients during the 2013-2015 fiscal biennium. Effective July 2, 2050. (SB2120 HD1)

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