

---

---

# A BILL FOR AN ACT

RELATING TO MEDICAID.

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

1 PART I

2 SECTION 1. The legislature finds that the term "medical  
3 institution" can be vague. The purpose of this part is to  
4 define the term "medical institution" for the purpose of dealing  
5 with medical liens.

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

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

13 PART II

14 SECTION 3. The department of human services shall  
15 collaborate with the Healthcare Association of Hawaii, the  
16 Hawaii Long Term Care Association, nursing facility providers,  
17 and home- and community-based service providers, including adult  
18 residential care homes and foster family homes, to develop a



1 revised methodology for determining the level of acuity of  
2 nursing facility residents who are medicaid recipients,  
3 including those with complex medical conditions, to set  
4 reimbursements at levels that are fair and equitable. The  
5 department of human services and the collaborating organizations  
6 and providers shall submit to the legislature a joint report  
7 containing recommendations and an implementation plan no later  
8 than twenty days prior to the convening of the regular session  
9 of 2013.

10 SECTION 4. The department of human services shall work  
11 with the department of health to develop an equitable referral  
12 system relating to the discharge of patients from hospitals,  
13 nursing homes, and long-term care facilities based on the  
14 patient's acuity level for proper placement in either an adult  
15 residential care home, community care foster family home, or an  
16 expanded adult residential care home.

17 PART III

18 SECTION 5. (a) The department of transportation in  
19 collaboration with the city and county of Honolulu's department  
20 of transportation services shall conduct a study on increasing  
21 the efficiency and punctuality of non-emergency transportation



1 services, such as TheHandi-Van. The study shall include but not  
2 be limited to the following:

3 (1) Review and analysis of existing non-emergency  
4 transportation services and how those services can be  
5 more efficient and punctual;

6 (2) Analysis of the funding and positions required to  
7 increase the efficiency and punctuality of non-  
8 emergency transportation services;

9 (3) Identification and evaluation of the desired,  
10 intended, and potential unintended effects of  
11 increasing the efficiency and punctuality of non-  
12 emergency transportation services;

13 (4) A projected timetable for implementing measures to  
14 increase the efficiency and punctuality of non-  
15 emergency transportation services; and

16 (5) Any other issues deemed necessary or relevant by the  
17 director of transportation, director of the city and  
18 county of Honolulu department of transportation  
19 services, or other relevant government agencies.

20 (b) The department of transportation in collaboration with  
21 the city and county of Honolulu's department of transportation  
22 services shall submit a report of findings and recommendations,



1 including any proposed legislation, to the legislature no later  
2 than twenty days prior to the convening of the regular session  
3 of 2013.

4 PART IV

5 SECTION 6. Hawaii Medicaid, Hawaii QUEST and any  
6 contractors therewith or successors (collectively "Medicaid")  
7 shall refrain from modifying reimbursement policies and  
8 guidelines without providing a day prior written notice of  
9 such change to any affected health care provider. In no event  
10 shall any such change be applied retroactively if prior approval  
11 for reimbursement was obtained from Medicaid.

12 PART V

13 SECTION 7. New statutory material is underscored.

14 SECTION 8. This Act shall take effect on July 1, 2050.



**Report Title:**

Medicaid; Reimbursements

**Description:**

Defines "medical institution". Provides for the development of a fair and equitable reimbursement system for all clients under the Medicaid program for community based caregiver services and a fair and equitable referral system for clients transferring from hospitals to community based care homes. Mandates a non-emergency transportation services study. Requires prior notice from Medicaid to health care providers when changing reimbursement policies and guidelines, and prohibits retroactive changes to previously approved Medicaid reimbursements. Effective July 1, 2050. (SB2712 HD1)

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

