
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 the passage of the
2 Patient Protection and Affordable Care Act of 2010 (PPACA)
3 places health care at the forefront of our national domestic
4 policy agenda. The PPACA aims to transform health care in
5 America from a reactive, fragmented, payment-oriented delivery
6 system to a proactive, comprehensive, quality-based consumer-
7 centered way of living. The PPACA enacts policies that affect
8 health care and healthy lifestyles, including insurance market
9 reforms, coverage choices, affordability of coverage, individual
10 and employer responsibilities, and investment in public health
11 programs, community health centers, workforce development,
12 quality, patient-centeredness, prevention, transparency, and
13 accountability. These coverage expansions and improvements
14 present challenges and opportunities for states and communities
15 to successfully implement the PPACA.

16 The legislature recognizes the enactment of the PPACA as an
17 opportunity to transform Hawaii's health care system. The
18 legislature finds that the State is a partner with the federal



1 government in translating the provisions of the PPACA into an
2 improved health care system and that the system is made up of
3 many interrelated parts. Perhaps the most significant of these
4 parts is the network of federally qualified health centers
5 (community health centers).

6 Community health centers serve uninsured, low-income
7 patient populations with demographic complexities and co-
8 morbidities, medicaid members, and the homeless--those groups
9 who are most likely to be helped by the PPACA and medicaid
10 expansion, in addition to privately insured individuals and
11 families. Community health centers:

- 12 (1) Are nonprofit, community-based organizations whose
13 purpose and expertise lie in providing quality person-
14 centered health care to underserved populations and
15 regions;
- 16 (2) Provide culturally and linguistically appropriate
17 health care and a broad range of primary care and
18 preventive services;
- 19 (3) Are located in medically underserved areas where
20 people 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 the decreased use of emergency,
5 specialty, and inpatient services.

6 Community health centers save the health care system \$1,262
7 per patient per year due to timely, effective care and care
8 management that reduces the unnecessary use of emergency-room,
9 inpatient, and specialty services. This model of health care
10 translated to savings of nearly \$160,000,000 in 2009. Community
11 health centers' patient-centered delivery system features:

12 (1) Comprehensive primary medical, behavioral-health, and
13 dental services; and

14 (2) Care management and services that enhance access,
15 compliance, and patient engagement,
16 and focuses on quality outcomes supported by electronic health
17 records that conform to meaningful use requirements. Community
18 health centers are a smart investment that results in healthier
19 communities while saving the State money.

20 The legislature acknowledges that although the PPACA
21 expands the population that will be eligible for medicaid
22 coverage and private insurance, those provisions do not take



1 place until 2014, leaving uncertainty for many and an increased
2 number of uninsured individuals as the economy continues to
3 struggle. Furthermore, as seen in Massachusetts following
4 implementation of that state's landmark health reform law,
5 community health centers may see an increase in the number and
6 proportion of the uninsured that are treated at their facilities
7 once the PPACA is implemented.

8 For these reasons, it is imperative that the State provide
9 support and resources that will synchronize the trajectory of
10 community health center growth with implementation of the PPACA
11 provisions at the state level. Congress permanently authorized
12 community health centers and the National Health Service Corps
13 in the PPACA because it recognized the community health center
14 as the medical model and system that will transform health care.
15 The PPACA will provide robust investment for operating costs,
16 capital infrastructure, and workforce development programs in
17 rural areas and community health centers over the next five
18 years; however, much of this funding is competitive and in
19 jeopardy of being restricted or eliminated.

20 The legislature finds that it is in the best interest of
21 the State to ensure access to primary and preventive health care
22 for its residents. In addition to facilitating a healthier



1 population, improving access to health care reduces state
2 expenditures attributable to hospital and emergency room
3 services for preventable injuries or illnesses. The legislature
4 recognizes the merit in supporting community health centers,
5 which will become the health care home for the newly insured
6 under the PPACA, to expand their capacity to serve the
7 uninsured, which make up approximately ten per cent of Hawaii's
8 adult population. The legislature further recognizes the need
9 to develop infrastructure and facilities for community health
10 centers to meet the demand for services.

11 The legislature finds that the State's federally matched
12 medicaid and Med-QUEST programs form an essential support for
13 underserved individuals and for community health centers. Among
14 the medicaid programs that need to be fully funded are dental
15 benefits for adults and outreach and enrollment services.

16 Oral health is as important as any other physical or mental
17 health need, and dental diseases contribute to cardiac health
18 and premature births. Unaddressed dental needs affect the
19 ability of individuals to obtain and keep employment.

20 Med-QUEST programs offer insurance options for low-income
21 uninsured citizens. Under the PPACA, such programs will expand
22 to accommodate additional uninsured adults. It is in the best



1 interest of the State to ensure that community programs reach
2 out to and assist individuals and families with children to
3 enroll in Med-QUEST programs for which they are eligible.

4 The legislature further finds that there are millions of
5 dollars available to community health center providers through
6 the PPACA to pay for meaningful use of electronic health
7 records. Accordingly, the legislature supports a modest
8 investment of state funds to serve as the ten per cent match
9 needed to establish a state office for the purpose of assisting
10 Hawaii in obtaining its fair share of these funds.

11 Accordingly, the purpose of this Act is to appropriate
12 funds to provide quality, cost-effective health care for Hawaii
13 residents who are uninsured, newly insured, or privately insured
14 by supporting Hawaii's community health centers as they
15 transform from the safety net to the backbone of the health care
16 system by promoting person-centeredness, wellness, and healthy
17 living.

18 SECTION 2. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$ or so much
20 thereof as may be necessary for fiscal year 2011-2012 and the
21 same sum or so much thereof as may be necessary for fiscal year
22 2012-2013 to the department of health for breast and cervical



1 cancer screening to reach more women who are eligible to be
2 screened under the screening program.

3 The sums appropriated shall be expended by the department
4 of health for the purposes of this Act.

5 SECTION 3. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so much
7 thereof as may be necessary for fiscal year 2011-2012 and the
8 same sum or so much thereof as may be necessary for fiscal year
9 2012-2013 to pay for the provision of direct health care for the
10 uninsured at federally qualified health centers throughout the
11 State, which may include primary medical, breast and cervical
12 cancer screening, dental, and behavioral-health care services;
13 provided that the distribution of funds may be on a "per visit"
14 basis, and may include an additional per-member, per-month
15 quality incentive payment, taking into consideration the need on
16 all islands.

17 The sums appropriated shall be expended by the department
18 of health to provide resources to federally qualified health
19 centers throughout the State for the provision of direct health
20 care for uninsured persons.

21 SECTION 4. There is appropriated out of the general
22 revenues of the State of Hawaii the sum of \$ or so much



1 thereof as may be necessary for fiscal year 2011-2012 to be
2 expended by the department of human services to restore basic
3 adult dental benefits to medicaid enrollees. The department
4 shall obtain the maximum federal matching funds available for
5 this expenditure.

6 SECTION 5. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$ or so much
8 thereof as may be necessary for fiscal year 2011-2012 to be
9 expended by the department of human services to comply with
10 federal regulations requiring at least one outstationed
11 eligibility worker to be placed at every federally qualified
12 health center site. The department shall obtain the maximum
13 federal matching funds available for this expenditure.

14 SECTION 6. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$ or so much
16 thereof as may be necessary for fiscal year 2011-2012 to be
17 expended by the department of human services to provide outreach
18 to families with children eligible for medicaid and Children's
19 Health Insurance Program enrollment. The department shall
20 obtain the maximum federal matching funds available for this
21 expenditure.



1 SECTION 7. There is appropriated out of the general
 2 revenues of the State of Hawaii the sum of \$ or so much
 3 thereof as may be necessary for fiscal year 2011-2012 to be
 4 expended by the department of human services to provide outreach
 5 to families eligible for medicaid enrollment. The department
 6 shall obtain the maximum federal matching funds available for
 7 this expenditure.

8 SECTION 8. There is appropriated out of the general
 9 revenues of the State of Hawaii the sum of \$ or so much
 10 thereof as may be necessary for fiscal year 2011-2012 to be
 11 expended by the department of human services for the immigrant
 12 health initiative.

13 SECTION 9. 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 2011-2012 to be
 16 expended by the department of human services to establish an
 17 office to promote meaningful use of electronic health records
 18 and certify the eligibility of providers to obtain federal
 19 funds. The department shall obtain the maximum federal matching
 20 funds available for this expenditure.

21 SECTION 10. The following sums, or so much thereof as
 22 shall be sufficient to finance the projects listed in this



1 section, are hereby appropriated out of the general revenues of
2 the State of Hawaii for fiscal year 2011-2012, as grants
3 pursuant to chapter 42F, Hawaii Revised Statutes, and to be
4 distributed as follows:

5 1. Lanai Community Health Center, Lanai
6 Design, construction, and
7 acquisition of land for the
8 construction of a new facility.

9 Total funding \$

10 2. Waianae District Comprehensive
11 Health and Hospital Board,
12 Incorporated, Oahu
13 Design and construction of a new
14 satellite site and renovations to
15 existing facilities.

16 Total funding \$

17 3. Hana Health, Maui
18 Design and construction of a
19 nutrition center, business dining
20 center, and kupuna group home
21 adult day care facility.

22 Total funding \$



1 the health information technology planning advanced planning
2 document to the Centers for Medicare and Medicaid Services no
3 later than December 31, 2011, to take advantage of federal
4 monies provided to Medicaid providers and hospitals as
5 incentives for adopting certain health information technology.

6 SECTION 13. This Act shall take effect on July 1, 2010.



Report Title:

DOH; DHS; Federally Qualified Health Centers; Appropriations

Description:

Appropriates funds to the Department of Health and Department of Human Services to expand certain health care services to qualified individuals and to finance projects at designated federally qualified health centers throughout the State. Effective July 1, 2050. (SB420 HD1)

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

