

JAN 24 2013

A BILL FOR AN ACT

RELATING TO LONG-TERM CARE FACILITIES.

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

1 SECTION 1. Act 156, Session Laws of Hawaii 2012, section
2 2, is amended as follows:

3 1. By amending subsection (c) of section -4, Hawaii
4 Revised Statutes, to read:

5 "(c) Revenue from the nursing facility sustainability fee
6 shall be used exclusively as follows:

7 (1) No less than eighty-eight per cent of the revenue from
8 the nursing facility sustainability fee shall be used
9 to match federal medicaid funds, with the combined
10 total to be used to enhance capitated rates to the
11 QUEST expanded access plans for the purpose of
12 increasing medicaid payments to private nursing
13 facilities;

14 (2) Twelve per cent of the revenue from the nursing
15 facility sustainability fee shall be used by the
16 department to restore funding for the three per cent
17 reduction in reimbursements to nursing facilities
18 effective 2012, and to the extent remaining after



1 restoring the three per cent reduction for other
 2 purposes; and
 3 (3) All moneys remaining in the special fund on
 4 December 30, [~~2013,~~] 2014, shall be distributed to
 5 nursing facilities within thirty days in the same
 6 proportions as received from the nursing facilities."

7 2. By amending subsection (e) of section -4, Hawaii
 8 Revised Statutes, to read:

9 "(e) The nursing facility sustainability program special
 10 fund ceiling appropriation shall be \$12,000,000 for fiscal year
 11 2012-2013 and \$10,000,000 in federal funds for HMS 401 for
 12 fiscal year 2012-2013.

13 The nursing facility sustainability program special fund
 14 ceiling appropriation shall be \$ for fiscal year 2013-
 15 2014 and \$ in federal funds for HMS 401 for fiscal year
 16 2013-2014."

17 3. By amending subsection (c) of section -5, Hawaii
 18 Revised Statutes, to read:

19 "(c) The nursing facility sustainability fee shall not
 20 exceed [~~four~~] twelve per cent of net patient service revenue and
 21 shall be calculated and paid on a per resident day basis. The



1 per resident daily fee shall be the same amount for each
2 affected facility, except as prescribed in subsection (d)(2)."

3 4. By amending section -10, Hawaii Revised Statutes, to
4 read:

5 "§ -10 Enhanced rates to QUEST expanded access plans.

6 In accordance with title 42 Code of Federal Regulations section
7 438, the department shall use revenues from the nursing facility
8 sustainability fee and federal matching funds to enhance the
9 capitated rates paid to the QUEST expanded access plans for
10 ~~[the]~~ state fiscal ~~[year]~~ years beginning with the 2012-2013
11 fiscal year, consistent with the following objectives:

12 (1) The rate enhancement shall be used exclusively for
13 increasing reimbursements to private nursing
14 facilities to support the availability of services and
15 to ensure access to care to QUEST expanded access
16 enrollees;

17 (2) The rate enhancement shall be made part of the monthly
18 capitated rates by the department to the QUEST
19 expanded access plans, which shall provide
20 documentation to the department and the nursing
21 facility trade associations located in Hawaii



1 certifying that the revenues received under paragraph
2 (1) are used in accordance with this section;

3 (3) The rate enhancement shall be actuarially sound and
4 approved by the federal government for federal fund
5 participation; and

6 (4) The department shall modify the fee-for-service
7 reimbursement rates of the nursing facilities to
8 recognize the medicaid portion of the nursing facility
9 sustainability fee as an additional cost of serving
10 medicaid patients, and to provide a uniform percentage
11 increase in pre-existing facility-specific rates."

12 SECTION 2. Act 156, Session Laws of Hawaii 2012, is
13 amended by amending section 5 to read as follows:

14 "SECTION 5. This Act shall take effect on July, 1, 2012,
15 and shall be repealed on June 30, [~~2013~~] 2014; provided that
16 section -4(c), Hawaii Revised Statutes, established by
17 section 2 of this Act, shall be repealed on December 31, [~~2013~~]
18 2014."

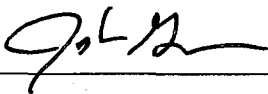
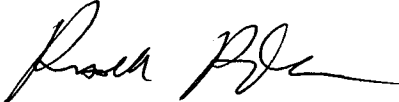



19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



S.B. NO. 1237

1 SECTION 4. This Act shall take effect on June 29, 2013.

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INTRODUCED BY: 







S.B. NO. 1237

Report Title:

Long-term Care Facilities; Nursing Sustainability Fee; Nursing Facility Sustainability Program Special Fund

Description:

Extends the sunset date of Act 156, SLH 2012, relating to the nursing facility sustainability fee program, to 6/30/2014 and makes conforming amendments. Increases the cap for the nursing facility sustainability fee to twelve per cent of net patient service revenue.

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