
A BILL FOR AN ACT

RELATING TO HUMAN SERVICES.

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

1 SECTION 1. The legislature finds that some operators of
2 in-home care facilities have little cash reserves and rely on
3 the State and counties to pay them on time for goods and
4 services provided. According to care home operators, the
5 State's delinquency in submitting payments can result in great
6 financial hardship for operators, including the inability to
7 make timely mortgage payments on the care home property. This
8 puts both the survival of the care home as a business and the
9 quality and stability of patient care at risk.

10 The purpose of this Act is to set the rate of interest that
11 the State and counties are required to pay on late payments to
12 an operator of an adult day care facility, community care foster
13 family home, or adult residential care home in order to
14 incentivize timely payments and to compensate care home
15 operators for losses incurred due to late payments.

16 SECTION 2. Section 103-10, Hawaii Revised Statutes, is
17 amended by amending subsection (a) to read as follows:



1 "(a) Any person who renders a proper statement for goods
2 delivered or services performed, pursuant to contract, to any
3 agency of the State or any county, shall be paid no later than
4 thirty calendar days following receipt of the statement or
5 satisfactory delivery of the goods or performance of the
6 services. In the event circumstances prevent the paying agency
7 from complying with this section, the person shall be entitled
8 to interest from the paying agency on the principal amount
9 remaining unpaid at a rate equal to the prime rate for each
10 calendar quarter plus two per cent[-]; provided that an operator
11 of an adult day care facility, community care foster family
12 home, or adult residential care home shall be entitled to
13 interest from the paying agency on the principal amount
14 remaining unpaid at a rate of for each calendar quarter,
15 commencing on the thirtieth day following receipt of the
16 statement or satisfactory delivery of the goods or performance
17 of the services, whichever is later, and ending on the date of
18 the check. As used in this subsection, "prime rate" means the
19 prime rate as posted in the Wall Street Journal on the first
20 business day of the month preceding the calendar quarter."

21 SECTION 3. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Late Payments; Interest; Adult Day Care Facility; Community Care Foster Family Home; Adult Residential Care Home

Description:

Establishes an interest rate, other than the prime rate plus two per cent, on late payments to which an operator of an adult day care facility, community care foster family home, or adult residential care home is entitled from the State or counties. Effective July 1, 2050. (SD1)

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