

JAN 23 2014

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# 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 of Hawaii to pay them on time for goods and services  
4 provided. According to care home operators, the State of  
5 Hawaii'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 is required to pay on late payments to an operator of  
12 an adult day care facility, community care foster family home,  
13 or adult residential care home in order to incentivize timely  
14 payments and to compensate care home operators for losses  
15 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 [~~7~~]; 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.



# S.B. NO. 2773

1 SECTION 4. This Act shall take effect on July 1, 2014.

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INTRODUCED BY: *Shannon Ann Oakland*



# S.B. NO. 2773

**Report Title:**

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

**Description:**

Requires the State to pay interest on late payments to an operator of an adult day care facility, community care foster family home, or adult residential care home. Effective July 1, 2014.

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

