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## 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. Long-term care facilities in the State face  
2 major financial challenges in providing quality health care for  
3 Hawaii residents. These challenges arise largely because  
4 medicaid payments for medicaid patient care do not cover the  
5 actual costs of such care. Long-term care facilities have not  
6 received inflationary updates to their medicaid reimbursement  
7 rates for a number of years due to the economic recession.  
8 Therefore, the gap between costs and reimbursements for care has  
9 widened considerably. The financial impact is further magnified  
10 by the fact that roughly 70 per cent of patients in long-term  
11 care facilities are covered by the state medicaid program.

12           The purpose of this Act is to provide for annual  
13 inflationary adjustments within the methodology used to  
14 reimburse long-term care facilities for medicaid recipients.

15           SECTION 2. Chapter 346D, Hawaii Revised Statutes, is  
16 amended by adding a new section to be appropriately designated  
17 and to read as follows:



# H.B. NO. 583

1        "§346D- Inflationary adjustment; medicaid. (a) The  
2 department of human services shall apply an annual cost increase  
3 to a long-term care facility's provider-specific prospective  
4 payment rate for care to medicaid recipients by applying an  
5 inflation factor to the provider's historical costs or basic  
6 prospective payment system rates.

7        (b) The annual inflation factor shall be the rate approved  
8 by the federal government in the medicaid state plan."

9        SECTION 3. New statutory material is underscored.

10       SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:   
JAN 23 2015



# H.B. NO. 583

**Report Title:**

Long-Term Care Facility; Inflationary Update

**Description:**

Provides for an annual inflationary adjustment to long-term care facility prospective reimbursement rates for care provided to Medicaid recipients.

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

