

JAN 23 2015

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 are largely the result of
4 payments for medicaid enrollees that do not cover the actual
5 costs of care. Long-term care facilities have not received
6 inflationary updates to their reimbursement rates for a number
7 of years due to the economic recession and, as such, have seen
8 the gap between costs and reimbursements widen considerably.
9 The financial effect is further magnified by the fact that
10 roughly 70 per cent of patients in long-term care facilities are
11 covered by the state medicaid program.

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



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

4 "§346D- Inflationary adjustment. (a) The department of
5 human services shall recognize an annual cost increase to a
6 long-term care facility's provider-specific prospective payment
7 rate by applying an inflation adjustment to the provider's
8 historical costs or basic prospective payment system rates.

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

11 SECTION 3. New statutory material is underscored.

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

13

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S.B. NO. 912

Report Title:

Long-term Care; Inflationary Update

Description:

Provides for an inflationary adjustment to long-term care facility prospective payment rates.

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