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# A BILL FOR AN ACT

RELATING TO EMERGENCY MEDICAL SERVICES.

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

1 PART I

2 SECTION 1. The legislature finds that anti-tobacco  
3 campaigns have played a major role in the overall decline of  
4 cigarette smoking. A key tool of tobacco use control has been  
5 taxation policy, which has been shown to be particularly  
6 effective for youths, who are generally more price-sensitive,  
7 and thus are less likely to start or maintain cigarette smoking  
8 when it is expensive.

9 The health effects of smoking are well established and  
10 include increased risk of heart attack, stroke, and other  
11 medical events to which Hawaii's emergency medical services  
12 system routinely responds. A clear nexus thus exists between  
13 cigarette smoking and utilization of the emergency healthcare  
14 system. However, due to declining rates of smoking, the long-  
15 term sustainability of the cigarette tax as a revenue source for  
16 the emergency medical system special fund is not guaranteed.



1           The purpose of this part is to repeal the emergency medical  
2 services special fund, redirect the fund's revenue sources,  
3 which are the cigarette tax, motor vehicle registration fee, and  
4 investment pool returns, to the general fund, and appropriate an  
5 equal dollar amount to the department of health for purposes of  
6 overseeing the statewide comprehensive emergency medical system  
7 with no discernable disruptions.

8           In fiscal year 2015-2016, emergency medical services  
9 special fund revenues from cigarette sales were \$8,800,000;  
10 revenues from vehicle registration fees were \$6,538,865; and  
11 revenues from the investment pool account were \$151,502.46.  
12 Total emergency medical system special fund revenues in fiscal  
13 year 2015-2016 were \$15,490,367.46.

14           SECTION 2. Section 245-15, Hawaii Revised Statutes, is  
15 amended to read as follows:

16           "**§245-15 Disposition of revenues.** All moneys collected  
17 pursuant to this chapter shall be paid into the state treasury  
18 as state realizations to be kept and accounted for as provided  
19 by law; provided that, of the moneys collected under the tax  
20 imposed pursuant to:



- 1 (1) Section 245-3(a)(5), after September 30, 2006, and  
2 prior to October 1, 2007, 1.0 cent per cigarette shall  
3 be deposited to the credit of the Hawaii cancer  
4 research special fund, established pursuant to section  
5 304A-2168, for research and operating expenses and for  
6 capital expenditures;
- 7 (2) Section 245-3(a)(6), after September 30, 2007, and  
8 prior to October 1, 2008:
- 9 (A) 1.5 cents per cigarette shall be deposited to the  
10 credit of the Hawaii cancer research special  
11 fund, established pursuant to section 304A-2168,  
12 for research and operating expenses and for  
13 capital expenditures;
- 14 (B) 0.25 cents per cigarette shall be deposited to  
15 the credit of the trauma system special fund  
16 established pursuant to section 321-22.5; and
- 17 (C) 0.25 cents per cigarette shall be deposited to  
18 the credit of the emergency medical services  
19 special fund established pursuant to section 321-  
20 234;



- 1 (3) Section 245-3(a)(7), after September 30, 2008, and  
2 prior to July 1, 2009:
- 3 (A) 2.0 cents per cigarette shall be deposited to the  
4 credit of the Hawaii cancer research special  
5 fund, established pursuant to section 304A-2168,  
6 for research and operating expenses and for  
7 capital expenditures;
- 8 (B) 0.5 cents per cigarette shall be deposited to the  
9 credit of the trauma system special fund  
10 established pursuant to section 321-22.5;
- 11 (C) 0.25 cents per cigarette shall be deposited to  
12 the credit of the community health centers  
13 special fund established pursuant to section 321-  
14 1.65; and
- 15 (D) 0.25 cents per cigarette shall be deposited to  
16 the credit of the emergency medical services  
17 special fund established pursuant to section 321-  
18 234;
- 19 (4) Section 245-3(a)(8), after June 30, 2009, and prior to  
20 July 1, 2013:



- 1 (A) 2.0 cents per cigarette shall be deposited to the  
2 credit of the Hawaii cancer research special  
3 fund, established pursuant to section 304A-2168,  
4 for research and operating expenses and for  
5 capital expenditures;
- 6 (B) 0.75 cents per cigarette shall be deposited to  
7 the credit of the trauma system special fund  
8 established pursuant to section 321-22.5;
- 9 (C) 0.75 cents per cigarette shall be deposited to  
10 the credit of the community health centers  
11 special fund established pursuant to section 321-  
12 1.65; and
- 13 (D) 0.5 cents per cigarette shall be deposited to the  
14 credit of the emergency medical services special  
15 fund established pursuant to section 321-234;
- 16 (5) Section 245-3(a)(11), after June 30, 2013, and prior  
17 to July 1, 2015:
- 18 (A) 2.0 cents per cigarette shall be deposited to the  
19 credit of the Hawaii cancer research special  
20 fund, established pursuant to section 304A-2168,



- 1 for research and operating expenses and for  
2 capital expenditures;
- 3 (B) 1.5 cents per cigarette shall be deposited to the  
4 credit of the trauma system special fund  
5 established pursuant to section 321-22.5;
- 6 (C) 1.25 cents per cigarette shall be deposited to  
7 the credit of the community health centers  
8 special fund established pursuant to section 321-  
9 1.65; and
- 10 (D) 1.25 cents per cigarette shall be deposited to  
11 the credit of the emergency medical services  
12 special fund established pursuant to section 321-  
13 234; ~~and~~
- 14 (6) Section 245-3(a)(11), after June 30, 2015, and  
15 ~~[thereafter:]~~ prior to July 1, 2017:
- 16 (A) 2.0 cents per cigarette shall be deposited to the  
17 credit of the Hawaii cancer research special  
18 fund, established pursuant to section 304A-2168,  
19 for research and operating expenses and for  
20 capital expenditures;



1 (B) 1.125 cents per cigarette, but not more than  
2 \$7,400,000 in a fiscal year, shall be deposited  
3 to the credit of the trauma system special fund  
4 established pursuant to section 321-22.5;

5 (C) 1.25 cents per cigarette, but not more than  
6 \$8,800,000 in a fiscal year, shall be deposited  
7 to the credit of the community health centers  
8 special fund established pursuant to section 321-  
9 1.65; and

10 (D) 1.25 cents per cigarette, but not more than  
11 \$8,800,000 in a fiscal year, shall be deposited  
12 to the credit of the emergency medical services  
13 special fund established pursuant to section 321-  
14 234 [-]; and

15 (7) Section 245-3(a)(11), after June 30, 2017, and  
16 thereafter:

17 (A) 2.0 cents per cigarette shall be deposited to the  
18 credit of the Hawaii cancer research special  
19 fund, established pursuant to section 304A-2168,  
20 for research and operating expenses and for  
21 capital expenditures;



1           (B) 1.125 cents per cigarette, but not more than  
2           \$7,400,000 in a fiscal year, shall be deposited  
3           to the credit of the trauma system special fund  
4           established pursuant to section 321-22.5; and

5           (C) 1.25 cents per cigarette, but not more than  
6           \$8,800,000 in a fiscal year, shall be deposited  
7           to the credit of the community health centers  
8           special fund established pursuant to section 321-  
9           1.65.

10 The department shall provide an annual accounting of these  
11 dispositions to the legislature."

12           SECTION 3. Section 249-31, Hawaii Revised Statutes, is  
13 amended by amending subsection (b) to read as follows:

14           "(b) From each annual motor vehicle registration fee, the  
15 director shall deposit \$40 into the state highway fund and \$5  
16 into the [~~emergency medical services special fund.~~] general  
17 fund."

18           SECTION 4. Section 321-234, Hawaii Revised Statutes, is  
19 repealed.

20           [~~"§321-234 Emergency medical services special fund. (a)~~

21 ~~There is established within the state treasury a special fund to~~





1 ~~be known as the emergency medical services special fund to be~~  
2 ~~administered and expended by the department.~~

3 ~~(b) The moneys in the special fund shall be used by the~~  
4 ~~department for operating a state comprehensive emergency medical~~  
5 ~~services system including enhanced and expanded services, and~~  
6 ~~shall not be used to supplant funding for emergency medical~~  
7 ~~services authorized prior to [July 1, 2004].~~

8 ~~(c) Fees remitted pursuant to section 249-31, cigarette~~  
9 ~~tax revenues designated under section 245-15, interest and~~  
10 ~~investment earnings attributable to the moneys in the special~~  
11 ~~fund, legislative appropriations, and grants, donations, and~~  
12 ~~contributions from private or public sources for the purposes of~~  
13 ~~the fund, shall be deposited into the special fund.~~

14 ~~(d) The department shall submit an annual report to the~~  
15 ~~legislature no later than twenty days prior to the convening of~~  
16 ~~each regular session that outlines the receipts of, and~~  
17 ~~expenditures from, the special fund." ]~~

18 SECTION 5. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$15,490,370 or so  
20 much thereof as may be necessary for fiscal year 2017-2018 and  
21 the same sum or so much thereof as may be necessary for fiscal



1 year 2018-2019 for the statewide comprehensive emergency medical  
2 services system.

3 The sums appropriated shall be expended by the department  
4 of health for the purpose of this part.

5 PART II

6 SECTION 6. Section 237D-6.5, Hawaii Revised Statutes, is  
7 amended by amending subsection (b) to read as follows:

8 "(b) Revenues collected under this chapter shall be  
9 distributed in the following priority, with the excess revenues  
10 to be deposited into the general fund:

11 (1) \$1,500,000 shall be allocated to the Turtle Bay  
12 conservation easement special fund beginning July 1,  
13 2015, for the reimbursement to the state general fund  
14 of debt service on reimbursable general obligation  
15 bonds, including ongoing expenses related to the  
16 issuance of the bonds, the proceeds of which were used  
17 to acquire the conservation easement and other real  
18 property interests in Turtle Bay, Oahu, for the  
19 protection, preservation, and enhancement of natural  
20 resources important to the State, until the bonds are  
21 fully amortized;



- 1           (2) \$26,500,000 shall be allocated to the convention  
2           center enterprise special fund established under  
3           section 201B-8;
- 4           (3) \$82,000,000 shall be allocated to the tourism special  
5           fund established under section 201B-11; provided that:
- 6           (A) Beginning on July 1, 2012, and ending on June 30,  
7           2015, \$2,000,000 shall be expended from the  
8           tourism special fund for development and  
9           implementation of initiatives to take advantage  
10          of expanded visa programs and increased travel  
11          opportunities for international visitors to  
12          Hawaii;
- 13          (B) Of the \$82,000,000 allocated:
- 14           (i) \$1,000,000 shall be allocated for the  
15           operation of a Hawaiian center and the  
16           museum of Hawaiian music and dance at the  
17           Hawaii convention center; and
- 18           (ii) 0.5 per cent of the \$82,000,000 shall be  
19           transferred to a sub-account in the tourism  
20           special fund to provide funding for a safety



1                   and security budget, in accordance with the  
2                   Hawaii tourism strategic plan 2005-2015; and  
3           (C) Of the revenues remaining in the tourism special  
4           fund after revenues have been deposited as  
5           provided in this paragraph and except for any sum  
6           authorized by the legislature for expenditure  
7           from revenues subject to this paragraph,  
8           beginning July 1, 2007, funds shall be deposited  
9           into the tourism emergency special fund,  
10          established in section 201B-10, in a manner  
11          sufficient to maintain a fund balance of  
12          \$5,000,000 in the tourism emergency special fund;  
13    (4) \$103,000,000 for fiscal year 2014-2015, \$103,000,000  
14    for fiscal year 2015-2016, \$103,000,000 for fiscal  
15    year 2016-2017, and \$93,000,000 for each fiscal year  
16    thereafter shall be allocated as follows: Kauai  
17    county shall receive 14.5 per cent, Hawaii county  
18    shall receive 18.6 per cent, city and county of  
19    Honolulu shall receive 44.1 per cent, and Maui county  
20    shall receive 22.8 per cent; provided that  
21    [commencing]:



1           (A) Commencing with fiscal year 2017-2018, each  
2           county may expend a portion of the tax revenues  
3           allocated to it pursuant to this paragraph to  
4           purchase vehicles, equipment and supplies and to  
5           pay any other costs incurred to supplement  
6           existing ambulance service in the county; and  
7           (B) Commencing with fiscal year 2018-2019, a sum that  
8           represents the difference between a county public  
9           employer's annual required contribution for the  
10          separate trust fund established under section  
11          87A-42 and the amount of the county public  
12          employer's contributions into that trust fund  
13          shall be retained by the state director of  
14          finance and deposited to the credit of the county  
15          public employer's annual required contribution  
16          into that trust fund in each fiscal year, as  
17          provided in section 87A-42, if the respective  
18          county fails to remit the total amount of the  
19          county's required annual contributions, as  
20          required under section 87A-43; and



1 (5) \$3,000,000 shall be allocated to the special land and  
2 development fund established under section 171-19;  
3 provided that the allocation shall be expended in  
4 accordance with the Hawaii tourism authority strategic  
5 plan for:

6 (A) The protection, preservation, maintenance, and  
7 enhancement of natural resources, including  
8 beaches, important to the visitor industry;

9 (B) Planning, construction, and repair of facilities;  
10 and

11 (C) Operation and maintenance costs of public lands,  
12 including beaches, connected with enhancing the  
13 visitor experience.

14 All transient accommodations taxes shall be paid into the  
15 state treasury each month within ten days after collection and  
16 shall be kept by the state director of finance in special  
17 accounts for distribution as provided in this subsection.

18 As used in this subsection, "fiscal year" means the twelve-  
19 month period beginning on July 1 of a calendar year and ending  
20 on June 30 of the following calendar year."



1 SECTION 7. (a) The department of health shall establish a  
2 two-year pilot program in the county of Hawaii and the city and  
3 county of Honolulu to allow those counties to independently  
4 regulate and operate ambulance service; provided that the  
5 department of health shall maintain its statewide systems for  
6 billing and collections, communications, and medical records.  
7 The pilot program shall commence on July 1, 2019 and shall be  
8 terminated on June 30, 2021.

9 (b) Under the pilot program, the authority to regulate  
10 ambulance service, including the certification of vehicles,  
11 equipment, and supplies, shall rest with the county of Hawaii  
12 and the city and county of Honolulu, respectively; provided that  
13 ambulance services provided under the pilot program shall meet  
14 or exceed the minimum standards established by the department of  
15 health.

16 (c) Any person who provides emergency medical service as  
17 an employee of any ambulance service under the pilot program  
18 shall be subject to chapter 453, Hawaii Revised Statutes.

19 (d) Ambulance service providers operating under the pilot  
20 program shall establish and maintain an alcohol and substance  
21 abuse policy for employees that is equivalent to, or exceeds the



1 provisions of, the safety and health standards established by  
2 the United States Department of Transportation for holders of  
3 commercial driver's licenses.

4 (e) Ambulance service made available under the pilot  
5 program shall not be denied to any person on the basis of the  
6 person's ability to pay therefor or because of the lack of  
7 prepaid health care coverage or proof of either ability to pay  
8 or of coverage.

9 (f) The appropriations made for the pilot program shall  
10 not lapse on June 30, 2019; provided that all appropriations  
11 which are unexpended and unencumbered on June 30, 2020 shall  
12 lapse on that date.

13 (g) The use of latex gloves by personnel providing  
14 ambulance services under the pilot program is prohibited.

15 SECTION 8. The department of health, in cooperation with  
16 the county of Hawaii and the city and county of Honolulu, shall  
17 submit a report on the pilot program established pursuant to  
18 this part to the legislature no later than twenty days before  
19 the commencement of the regular session of 2019. The report  
20 shall include information on the operations and regulation of  
21 ambulance services under the pilot program, including





1 information on costs for vehicles, equipment, supplies, and  
 2 personnel and any regulations developed and contracts entered  
 3 into by the participating counties. The report shall include  
 4 findings and recommendations, as well as any proposed  
 5 legislation, regarding county regulation and operation of  
 6 ambulance services.

7 SECTION 9. There is appropriated out of the general  
 8 revenues of the State of Hawaii the sum of \$ or so much  
 9 thereof as may be necessary for fiscal year 2017-2018 and the  
 10 same sum or so much thereof as may be necessary for fiscal year  
 11 2018-2019 for the county ambulance service pilot program  
 12 established by this part.

13 The sums appropriated shall be expended by the department  
 14 of health for the purposes of this part.

15 PART III

16 SECTION 10. The legislature finds that a high percentage  
 17 of calls for emergency medical services are from repeat callers  
 18 who call multiple times per day for issues that do not require  
 19 an emergency response. Most 911 calls originate from residences  
 20 and many involve medical concerns that could be addressed by a  
 21 functioning community paramedic system. The volume of calls for



1 emergency medical services rises each year due to growth in  
2 population and tourism and often outpaces the availability of  
3 resources. Therefore, it is critical to establish community  
4 paramedic services to provide appropriate services to non-  
5 emergency callers who would otherwise be using valuable  
6 emergency medical services needed by other individuals.

7 For these reasons, the legislature adopted House Concurrent  
8 Resolution No. 90 during the regular session of 2016. This  
9 resolution requested that the chief of the department of  
10 health's emergency medical services and injury prevention system  
11 branch convene and chair a working group to develop a community  
12 paramedic program, including educational standards for  
13 certifications, to relieve emergency services personnel from the  
14 obligation to respond to non-emergency calls.

15 The working group, in its December 2016 report to the  
16 legislature, recommended that a community paramedic services  
17 pilot program be established at two to three of the six  
18 metropolitan and rural sites it identified. The working group  
19 found that community paramedicine could reduce the high volume  
20 of 911 calls for non-emergent medical conditions. It also found  
21 that community paramedicine could improve health in the State by



1 addressing calls involving non-emergency services, post hospital  
2 discharge care, the homeless population, hospice care,  
3 behavioral health, and acute and chronic medical conditions such  
4 as infectious diseases, diabetes, hypertension, and asthma.

5 The purpose of this part is to implement the  
6 recommendations of the working group convened pursuant to House  
7 Concurrent Resolution No. 90, regular session of 2016, by  
8 establishing and appropriating funds for a three-year community  
9 paramedic services pilot program and requiring an evaluation of  
10 the program's effectiveness.

11 SECTION 11. (a) There is established a three-year  
12 community paramedic services pilot program, to be administered  
13 by the department of health. The pilot program shall commence  
14 on July 1, 2017, and shall terminate on June 30, 2020. The  
15 program shall be conducted at two to three pilot sites approved  
16 by the director of health. The program shall include the  
17 following components:

18 (1) Training and certification. Kapiolani community  
19 college shall:

20 (A) Develop a community paramedic curriculum in  
21 consultation with the department of health;



1 (B) Institute a community paramedic training program;  
2 and

3 (C) In partnership with the University of Hawaii  
4 community colleges, train community health  
5 workers based on common core competencies to work  
6 with community paramedics.

7 The department of health shall develop and implement a  
8 community paramedic certification procedure;

9 (2) Staffing. The department of health shall recruit and  
10 hire a community paramedicine administrator, an  
11 appropriate number of community paramedicine medical  
12 directors for each pilot site, and other personnel as  
13 needed;

14 (3) Equipment and supplies. The department of health  
15 shall procure non-transport vehicles and contract with  
16 emergency medical services providers to provide  
17 necessary supplies and medical equipment;

18 (4) Medical records. Community paramedics providing  
19 services under the pilot program shall initially use  
20 the existing Hawaii emergency medical services medical  
21 record system, but shall transition to a more suitable



1 medical record system when funds become available and  
2 such a system is identified; and

3 (5) Billing. The department of health shall develop a fee  
4 schedule for community paramedic services in  
5 consultation with insurance carriers. Billing and  
6 collections for community paramedic services shall be  
7 conducted by the department of health, emergency  
8 medical services and injury prevention system branch.  
9 All moneys collected shall be deposited into the  
10 general fund of the State.

11 (b) In developing and implementing the community paramedic  
12 services pilot program, the department of health shall solicit  
13 the participation of and consult with members of the working  
14 group convened pursuant to House Concurrent Resolution No. 90,  
15 regular session of 2016, in addition to:

16 (1) Representatives of the health insurance industry,  
17 including insurers, health maintenance organizations,  
18 and mutual benefit societies;

19 (2) A representative of the Queen's Medical Center; and

20 (3) A representative of the Healthcare Association of  
21 Hawaii.



1 SECTION 12. The department of health, emergency medical  
 2 services and injury prevention system branch, shall submit a  
 3 written report on the results of the three-year community  
 4 paramedic services pilot program, including any proposed  
 5 legislation, to the legislature no later than twenty days prior  
 6 to the convening of the regular session of 2021. The report  
 7 shall address but shall not be limited to:

8 (1) An evaluation of the selected pilot sites'  
 9 effectiveness in terms of patient outcomes, 911 system  
 10 impact, and costs within eighteen months of the start  
 11 of services at the pilot sites; and

12 (2) A calculation of the program's return on investment,  
 13 based on:

14 (A) The estimated cost savings from any reductions in  
 15 usages of emergency ambulance services, emergency  
 16 facilities, and associated personnel as a direct  
 17 result of the provision of community paramedic  
 18 services during the three-year pilot program; and

19 (B) The overall impact of the pilot program.

20 SECTION 13. No later than January 2, 2018, the department  
 21 of health shall adopt interim rules, which shall be exempt from



1 chapter 91 and chapter 201M, Hawaii Revised Statutes, to  
2 effectuate the purposes of this part; provided that the interim  
3 rules shall remain in effect until , or until the  
4 department adopts rules pursuant to chapter 91, whichever occurs  
5 sooner.

6 SECTION 14. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$ or so much  
8 thereof as may be necessary for fiscal year 2017-2018 and the  
9 same sum or so much thereof as may be necessary for fiscal year  
10 2018-2019 for the community paramedic services pilot program  
11 established pursuant to this part.

12 The sums appropriated shall be expended by the department  
13 of health for the purposes of this part.

14 SECTION 15. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 16. This Act shall take effect on July 1, 2090.



**Report Title:**

Emergency Medical Services; Ambulance Service; Counties;  
Community Paramedic Services

**Description:**

Repeals the Emergency Medical Services Special Fund and appropriates an equal amount of general funds to the Department of Health for emergency medical services. Establishes a pilot program and authorizes TAT expenditure for county regulation and operation of ambulance services. Establishes and appropriates funds for a community paramedic pilot program. (HD1)

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

