
A BILL FOR AN ACT

RELATING TO MEDICAID.

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

1 SECTION 1. The legislature finds that a bottleneck occurs
2 between hospitals and long-term care facilities for waitlisted
3 health care patients, particularly those with complex medical
4 needs. Waitlisted health care patients are individuals who have
5 recovered sufficiently and no longer need the acute level of
6 care that a hospital provides, but who cannot be transferred
7 from a hospital to another facility because an appropriate
8 placement cannot be found. It is especially difficult to locate
9 a placement for patients who have a complex medical need, such
10 as a traumatic brain injury or cognitive impairment, as the
11 costs of treating these patients are prohibitively high for
12 long-term care facilities. The current medicaid level of
13 reimbursement for long-term care facilities does not match the
14 cost of providing services to health care patients with
15 medically complex needs.

16 To help hospitals place high-cost patients who no longer
17 need acute care into appropriate long-term care settings, it is



1 critical that long-term care facilities receive payments that
2 better reflect the costs of care attendant with medically
3 complex cases. One way to more adequately compensate long-term
4 care facilities for these services is to provide an add-on
5 payment to the long-term care medicaid base rate for patients
6 with complex medical needs. According to data collected by
7 George Washington University for the Medicaid and CHIP Payment
8 and Access Commission, thirty-eight other states provide add-on
9 payments to the medicaid base rate to help long-term care
10 providers care for patients with complex needs, including
11 ventilators, behavioral health issues, and cognitive
12 impairments. Providing an add-on payment will help long-term
13 care facilities cover the additional costs needed to care for
14 these patients and facilitate the timely discharge of patients
15 with complex needs from hospitals, thereby cutting health care
16 costs.

17 The purpose of this Act is to provide enhanced medicaid
18 payments to long-term care facilities that accept and care for
19 medically-complex patients awaiting discharge from an acute care
20 hospital, to help place patients in the most appropriate setting
21 of care, and to open up hospital beds for acute patients.



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

4 "§346- Medically complex add-on payments. (a) Insurers
5 that contract with the department to provide long-term care
6 services to medicaid enrollees shall provide a medically complex
7 add-on payment, in addition to the base rate, for medical
8 enrollees in long-term care facilities with complex medical,
9 behavioral, mental health, and cognitive needs who are
10 waitlisted at an acute care hospital.

11 (b) The insurer shall provide a medically complex add-on
12 payment to the long-term care facility's base rate as long as
13 the medicaid enrollee meets at least one qualifying condition.

14 (c) The long-term care facility shall provide and keep
15 sufficient documentation in the medicaid enrollee's clinical
16 record to justify the medically complex add-on payment
17 determination in accordance with any rules the department may
18 issue. The clinical record shall include documentation of at
19 least one qualifying condition, the severity of the symptoms,
20 and the need for direct service worker resources or enhanced
21 supports.



1 (d) The add-on payment shall be forty per cent of the
2 medicaid base rate.

3 (e) As used in this section:

4 "Acute care hospital" means an institution providing acute
5 health care services licensed or certified by the department of
6 health under chapter 321.

7 "Long-term care facility" shall have the same meaning as in
8 section 349-21.

9 "Medicaid enrollees" means individuals enrolled in the
10 state medicaid program.

11 "Qualifying condition" means:

12 (1) A severe medical condition;

13 (2) A severe mental or behavioral health condition;

14 (3) A significant physical or nutritional need requiring
15 full assistance with nutrition, mobility, and
16 activities of daily living;

17 (4) A complex medical need that makes the medicaid
18 enrollee medically fragile;

19 (5) A traumatic brain injury or head trauma;

20 (6) A condition requiring enhanced supports or direct
21 service worker resources; or



1 (7) Any other condition the director deems appropriate.

2 "Severe medical condition" means a condition that results
3 in an individual requiring, for an extended period of time, a
4 high level of constant care to maintain comfort or sustain life
5 or requiring a treatment that, if not provided, could place the
6 individual at risk of complications, injury, or death.

7 "Severe mental or behavioral health conditions" means a
8 condition that affects persons age eighteen or older who
9 currently or at any time in the past year had a diagnosable
10 mental, behavioral, or emotional disorder, excluding
11 developmental and substance use disorders, of a sufficient
12 duration to meet diagnostic criteria specified within the most
13 current DSM-IV that has resulted in serious functional
14 impairment that interferes with or limits one or more major life
15 activities.

16 "Waitlisted" means no longer requiring an acute level of
17 care but residing in an acute care facility because no
18 appropriate placement or services can be secured."

19 SECTION 3. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$ or so much
21 thereof as may be necessary for fiscal year 2017-2018 and the



1 same sum or so much thereof as may be necessary for fiscal year
2 2018-2019 to provide a medically complex add-on payment to long-
3 term care facilities for qualified waitlisted medicaid enrollees
4 pursuant to this Act.

5 The sums appropriated shall be expended by the department
6 of human services for the purposes of this Act.

7 SECTION 4. New statutory material is underscored.

8 SECTION 5. This Act shall take effect on July 1, 2075.



Report Title:

Medicaid; Hospitals; Long-term Care; Skilled Nursing; Add-on Payment; Appropriation

Description:

Requires insurers that contract with the Department of Human Services, to provide a medically complex add-on payment of 40 percent of the Medicaid base rate for medical enrollees in long-term care facilities with complex medical, behavioral, mental health, and cognitive needs who are waitlisted at an acute care hospital. Appropriates funds for medically complex add-on payments. (HB93 HD1)

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