
A BILL FOR AN ACT

RELATING TO HEALTH.

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

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PART I

2 SECTION 1. The legislature finds that federal civil
3 monetary penalties may be assessed on medicare certified skilled
4 nursing facilities by the Department of Health and Human
5 Services Centers for Medicare and Medicaid Services and shared
6 with states. Monetary penalties are assessed when facilities
7 are cited for non-compliance with federal certification
8 requirements as found during federal recertification surveys
9 conducted in Hawaii on behalf of the Centers for Medicare and
10 Medicaid Services by the department of health office of health
11 care assurance. Further, the legislature finds that the Centers
12 for Medicare and Medicaid Services have implemented the civil
13 money penalty reinvestment program, a three-year effort to
14 reduce adverse events, improve staffing quality, and improve
15 dementia care in nursing homes. The Centers for Medicare and
16 Medicaid Services must approve any initiatives that are aimed to
17 improve the health and well-being of residents such as music and



1 memory and education programs. Facilities are not allowed to
2 use funds to pay staff salaries or for construction purposes.
3 Further, the Centers for Medicare and Medicaid Services asks
4 that states not have statutes limiting the dollar amount of
5 federal civil monetary penalty funds awarded to projects that
6 benefit nursing home residents. The Centers for Medicare and
7 Medicaid Services considers it a reasonable goal for states to
8 award at least fifty per cent of the fund balance to these
9 projects, beyond funds that are held in an emergency reserve
10 fund. Further, the legislature finds that a civil monetary
11 penalty special fund, into which monetary penalties shared with
12 Hawaii are deposited and expended, was created in the department
13 of health. The civil monetary penalty special fund currently
14 has a spending ceiling of \$30,000 per year. The ceiling was
15 determined during a time of infrequent and lower amounts of
16 assessed monetary penalties. However, during recent years, the
17 special fund balance has increased significantly and, after the
18 deposit of \$371,324 during fiscal year 2018-2019, the balance as
19 of June 30, 2019, was \$1,051,157.

20 The purpose of this part is to:



- 1 (1) Amend the civil monetary penalty special fund statute
2 to eliminate the spending ceiling to align with the
3 federal civil money penalty reinvestment program; and
4 (2) Allow the department of health to establish an
5 appropriate spending ceiling through the state budget
6 process.

7 SECTION 2. Section 321-30.2, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) There is established the civil monetary penalty
10 special fund, to be administered by the department of health.
11 The fund shall consist of moneys collected by the United States
12 Department of Health and Human Services Centers for Medicare and
13 Medicaid Services as federally imposed civil monetary penalty
14 funds when health care facilities or agencies do not meet
15 medicare certification requirements as determined by the
16 department of health when it conducts medicare certification
17 surveys and complaint investigations on health care facilities
18 or agencies in Hawaii in accordance with section 1864 of the
19 Social Security Act. Moneys in the fund shall be expended by
20 the department of health as approved by the Centers for Medicare
21 and Medicaid Services. [~~Not more than \$30,000 of the moneys~~]



1 Moneys in the fund may be used during any fiscal year for the
2 activities carried out by the department of health as approved
3 by the Centers for Medicare and Medicaid Services."

4 PART II

5 SECTION 3. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2020-2021 for
8 one permanent full-time equivalent (1.0 FTE) medicare
9 administrator position within the department of health for
10 outreach and support for those transitioning to medicare
11 coverage.

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

14 PART III

15 SECTION 4. If any provision of this Act, or the
16 application thereof to any person or circumstance, is held
17 invalid, the invalidity does not affect other provisions or
18 applications of the Act that can be given effect without the
19 invalid provision or application, and to this end the provisions
20 of this Act are severable.



1 SECTION 5. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

DOH; Medicare; Civil Monetary Penalties; Civil Monetary Penalty Special Fund; Medicare Administrator; Appropriation

Description:

Repeals the spending ceiling for moneys in the civil monetary penalty special fund for use by the Department of Health for Centers for Medicare and Medicaid Services-approved compliance activities. Appropriates funds to DOH for the establishment of a medicare administrator position. Effective 7/1/2050. (SD1)

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