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# A BILL FOR AN ACT

RELATING TO THE MENTAL HEALTH AND SUBSTANCE ABUSE SPECIAL FUND.

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

1           SECTION 1. The legislature finds that there is an unmet  
2 need in the State for expanded treatment facilities for high-  
3 acuity and high-cost patients with chronic substance abuse and  
4 mental health disorders. Subacute residential stabilization  
5 services, otherwise known as crisis stabilization beds, can  
6 bridge the gap for individuals in crisis for whom acute  
7 inpatient hospitalization is unnecessary but lower level  
8 residential and community treatment modalities are insufficient.

9           The legislature also finds that there is a need for  
10 transitional placement units that would allow an individual with  
11 severe and persistent mental illness to live semi-independently  
12 but also return quickly to higher levels of care if the  
13 individual decompensates. Crisis stabilization beds and  
14 transitional placement units are service components that are  
15 vital parts of a comprehensive continuum of care for behavioral  
16 health. Currently, Hawaii's treatment resources do not include  
17 crisis stabilization beds or transitional placement units.



1           The legislature finds that the individuals who would likely  
2 benefit from crisis stabilization beds often enter and reenter  
3 the health care system through emergency departments, often  
4 under a designation for emergency examination pursuant to  
5 section 334-59, Hawaii Revised Statutes, more commonly known as  
6 MH-1. After discharge from an emergency department but prior to  
7 long-term rehabilitation and treatment, some patients may  
8 require several days or weeks in a controlled environment to  
9 deescalate from their crisis. Similarly, if an individual is  
10 reintegrated to the community prematurely, the cycle of relapse  
11 and decompensation often continues. The legislature finds that  
12 crisis stabilization beds and transitional placement units would  
13 meet this important community need.

14           The legislature further finds that, due to focused efforts  
15 in recent years to maximize billing and reimbursement, the  
16 mental health and substance abuse special fund can sustain  
17 expanded program operations in addition to new capital  
18 improvement projects related to crisis stabilization beds and  
19 transitional placement units.

20           The purpose of this Act is to authorize expenditures from  
21 the mental health and substance abuse special fund to be used



1 for capital improvement projects for facilities owned by the  
2 State, including investment in existing state facilities that  
3 have underutilized bed space to create an inventory of crisis  
4 stabilization beds and supported transition units.

5 SECTION 2. Section 334-15, Hawaii Revised Statutes, is  
6 amended by amending subsection (a) to read as follows:

7 "(a) There is established a special fund to be known as  
8 the mental health and substance abuse special fund into which  
9 shall be deposited all revenues and other moneys collected from  
10 certification programs and treatment services rendered by the  
11 mental health and substance abuse programs operated by the  
12 State. Notwithstanding any other law to the contrary, the  
13 department [~~is authorized to~~] may establish separate accounts  
14 within the special fund for depositing moneys received from  
15 certification programs and from each mental health and substance  
16 abuse program. Moneys deposited into the respective accounts of  
17 each program shall be used for the payment of the operating  
18 expenses or capital improvement projects of the respective  
19 program[-]; provided that no more than fifteen per cent of the  
20 expenditures per fiscal year from the mental health and  
21 substance abuse special fund and no more than fifteen per cent



1 of the total surplus per fiscal year of the mental health and  
2 substance abuse special fund shall be used to fund capital  
3 improvement projects; provided further that no funds used for  
4 capital improvement projects pursuant to this section shall be  
5 used for purposes of expanding inpatient forensic capacity at  
6 the Hawaii state hospital.

7 For purposes of this subsection, "capital improvement  
8 project" means:

- 9 (1) The acquisition by the State of real property;
- 10 (2) Improvements to expand capacity and serviceability of  
11 existing, state-owned public facilities; or
- 12 (3) The development of new state-owned public facilities."

13 SECTION 3. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15 SECTION 4. This Act shall take effect on December 31,  
16 2059.



**Report Title:**

Mental Health and Substance Abuse Special Fund; Uses; Capital Improvement Projects

**Description:**

Authorizes expenditures from the mental health and substance abuse special fund to be used for certain capital improvement projects. Limits the expenditures for capital improvement projects at 15 per cent of total expenditures from the special fund and 15 per cent of the total surplus of the special fund. Excludes projects that would expand inpatient forensic capacity at the Hawaii State Hospital from permissible capital improvement projects funded from the mental health and substance abuse special fund. Effective 12/31/2059. (HD1)

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