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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 subacute residential  
2 stabilization services, otherwise known as crisis stabilization  
3 beds, will bridge the gap for individuals in crisis for whom  
4 acute inpatient hospitalization is unnecessary and lower level  
5 residential and community treatment modalities are insufficient.  
6 Additionally, transitional placement is needed in environments  
7 where individuals with severe and persistent mental illness are  
8 able to live semi-independently but can return quickly to higher  
9 levels of care when the individual starts to decompensate.  
10 These two service components are vital parts of a comprehensive  
11 continuum of care for behavioral health but are currently  
12 under-resourced.

13           The legislature further finds that individuals who will  
14 benefit from crisis stabilization beds enter and reenter the  
15 health care system through emergency departments, often under a  
16 designation for emergency examination pursuant to  
17 section 334-59, Hawaii Revised Statutes, or more commonly known



1 as "MH-1". Upon discharge but before long-term rehabilitation  
2 and treatment may continue, some patients will require several  
3 days or weeks to deescalate from the patient's crisis in a  
4 controlled environment. Similarly, if these patients are  
5 reintegrated into the community prematurely, the cycle of  
6 relapse and decompensation often continues. However, Hawaii's  
7 treatment resources do not currently include crisis  
8 stabilization beds or supported transition units.

9 The legislature also finds that the department of health  
10 proposes to invest in existing state facilities that have  
11 underutilized bed space to create an inventory of crisis  
12 stabilization beds and supported transition units.  
13 Additionally, due to focused efforts over the last several years  
14 to maximize billing and reimbursement, the mental health and  
15 substance abuse special fund can sustain both expanded program  
16 operations and new capital improvements related to crisis  
17 stabilization beds.

18 The purpose of this Act is to:

19 (1) Authorize the mental health and substance abuse  
20 special fund to be used for capital improvements; and



1           (2) Require the department of health to identify, among  
 2           other things, capital improvement projects that should  
 3           be made with moneys from the mental health and  
 4           substance abuse special fund to improve the continuum  
 5           of care for behavioral health and submit a report to  
 6           the legislature.

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

9           "(a) There is established a special fund to be known as  
 10 the mental health and substance abuse special fund into which  
 11 shall be deposited all revenues and other moneys collected from  
 12 certification programs and treatment services rendered by the  
 13 mental health and substance abuse programs operated by the  
 14 State. Notwithstanding any other law to the contrary, the  
 15 department is authorized to establish separate accounts within  
 16 the special fund for depositing moneys received from  
 17 certification programs and from each mental health and substance  
 18 abuse program. Moneys deposited into the respective accounts of  
 19 each program shall be used for the payment of the operating  
 20 expenses of or capital improvements for the respective program.  
 21 As used in this section, "capital improvements" means the



1 acquisition of real property, improvements to expand capacity  
2 and serviceability of existing public facilities, and the  
3 development of new public facilities."

4 SECTION 3. (a) The department of health shall identify  
5 the following:

6 (1) Capital improvement projects that should be funded by  
7 moneys from the mental health and substance abuse  
8 special fund to improve the continuum of care for  
9 behavioral health;

10 (2) The amounts required for the identified capital  
11 improvement projects; and

12 (3) Plans investigating whether: private nonprofit  
13 organizations could operate state facilities that have  
14 underutilized bed space; state funding could be  
15 supplemented with proceeds from fundraising to remodel  
16 these facilities; and non-state funds could be used to  
17 support operations.

18 (b) The department of health shall submit a report of its  
19 findings and recommendations, including any proposed  
20 legislation, to the legislature no later than twenty days prior  
21 to the convening of the regular session of 2021.



1 SECTION 4. New statutory material is underscored.

2 SECTION 5. This Act shall take effect on July 1, 2050;  
3 provided that on June 30, 2025, this Act shall be repealed and  
4 section 334-15(a), Hawaii Revised Statutes, shall be reenacted  
5 in the form in which it read on the day prior to the effective  
6 date of this Act.



**Report Title:**

DOH; Mental Health and Substance Abuse Special Fund; Capital Improvement Projects; Study

**Description:**

Authorizes the mental health and substance abuse special fund to be used for certain capital improvements. Requires the Department of Health to identify, among other things, capital improvement projects that should be made with moneys from the mental health and substance abuse special fund to improve the continuum of care for behavioral health and submit a report to the Legislature. Repeals on 6/30/2025. Effective 7/1/2050.  
(SD2)

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

