

JAN 27 2021

A BILL FOR AN ACT

RELATING TO THE STATE COMPREHENSIVE EMERGENCY MEDICAL SERVICES
SYSTEM.

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

1 SECTION 1. Emergency medical services are available in
2 each of the State's four counties, wherein a resident or visitor
3 can call 911 from anywhere in Hawaii and receive an advanced
4 life support response. Persons in urban areas as well as those
5 in rural or more remote areas have relative parity of access to
6 emergency medical services because the State has emergency
7 medical services provider contracts in each of the four
8 counties. This is the benefit of a comprehensive statewide
9 emergency medical services program.

10 The term "comprehensive" not only applies to coverage but
11 also to infrastructure. The department of health administers
12 the statewide system, pursuant to part XVIII of chapter 321,
13 Hawaii Revised Statutes, including emergency care and transport,
14 all equipment, medications, medication orders, communications,
15 dispatch, and billing. The department of health is further
16 authorized to establish and charge fees for all air and ground

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1 ambulance services, from which all receipts are deposited into
2 the general fund.

3 Furthermore, the annual cost for a comprehensive statewide
4 emergency medical services system is approaching \$100,000,000
5 annually. Costs continue to increase each biennium primarily
6 due to collective bargaining and service expansion by way of
7 additional ambulances, ambulance stations, or emergency response
8 vehicles. For the current fiscal year 2020-2021, the emergency
9 medical services system has a budget shortfall of approximately
10 \$6,400,000, which will likely result in cuts to services.

11 Therefore, the purpose of this Act is to equitably
12 distribute the cost of operating a state comprehensive emergency
13 medical services system without compromising access, coverage,
14 and quality in counties with a population of more than 500,000,
15 and limit state contributions to \$100,000,000. This is
16 accomplished by returning a percentage of billing revenue
17 proportionate to an eligible county's receipts back to the
18 eligible county. This will incentivize greater efficiency
19 within an eligible county including maximizing revenue through
20 improved front-end coding, refining treatment and transport
21 protocols in partnership with local health facilities, and
22 promoting greater evidence-based expansion plans. The

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1 department of health would maintain roles and responsibilities
2 that assure overall access, quality, and certain benefits of
3 economies of scale.

4 SECTION 2. Section 321-323, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "[f]§321-223[+] **State comprehensive emergency medical**
7 **services system, establishment.** (a) The department of health
8 shall establish, administer, and maintain, and may share with
9 the counties in the cost of, the state comprehensive emergency
10 medical services system to serve the emergency health needs of
11 the people of the State. The department of health in the
12 implementation of this part shall plan, coordinate, and provide
13 assistance to all entities and agencies, public and private,
14 involved in the state system. All emergency medical services or
15 ambulance services conducted by or under the authority of the
16 department of health or any county shall be consistent with this
17 part.

18 (b) Counties with a population of more than five hundred
19 thousand shall share in the cost of the state comprehensive
20 emergency medical services system in amounts established by
21 rules adopted pursuant to subsection (d).

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1 (c) The total state share of costs for the state
2 comprehensive emergency medical services system shall not exceed
3 \$100,000,000 per year.

4 (d) No later than July 1, 2022, the department of health
5 shall adopt interim rules, which shall be exempt from chapter 91
6 and chapter 201M, to effectuate the purposes of this section;
7 provided that the interim rules shall remain in effect until
8 July 1, 2023, or until rules are adopted pursuant to chapter 91,
9 whichever occurs sooner."

10 SECTION 3. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect upon its approval.

13
14 INTRODUCED BY: _____



15 BY REQUEST

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Report Title:

Emergency Medical System; Cost Sharing

Description:

Requires counties with more than 500,000 residents to share in the costs of the emergency medical services system; sets annual limit on state contributions.

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

JUSTIFICATION SHEET

DEPARTMENT: HEALTH

TITLE: A BILL FOR AN ACT RELATING TO THE STATE COMPREHENSIVE EMERGENCY MEDICAL SERVICES SYSTEM.

PURPOSE: Require counties with more than 500,000 residents to share in the costs of the emergency medical services system and set a \$100,000,000 annual limit on state contributions.

MEANS: Amend section 321-223, Hawaii Revised Statutes.

JUSTIFICATION: The State finances the total costs of the comprehensive emergency medical service system (EMS), which in the current fiscal year is approximately \$70,000,000. Costs are projected to be over \$100,000,000 in several years and continually increasing burden on the state budget.

Explicit authorization to cost-share EMS expenses with certain counties will reduce program dependence on general funds and provide incentives to counties that cost-share to operate more efficiently and maximize revenue.

Impact on the public: Sustainable access to EMS services.

Impact on the department and other agencies: N/A.

GENERAL FUND: \$25,000,000 diversion of moneys from the general fund back to the cost-sharing county, and ongoing savings in perpetuity.

OTHER FUNDS: N/A.

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PPBS PROGRAM
DESIGNATION: HTH-730.

OTHER AFFECTED
AGENCIES: Counties; Department of Budget and Finance.

EFFECTIVE DATE: Upon approval.