

JAN 25 2023

A BILL FOR AN ACT

RELATING TO MEDICAID REIMBURSEMENT RATES FOR CERTAIN HEALTHCARE PROFESSIONALS.

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

1 SECTION 1. The purposes of this Act are to authorize the
2 department of human services, pursuant to section 346-59, Hawaii
3 Revised Statutes, to reimburse certain healthcare professionals
4 for providing allowable services under the Medicaid program to
5 patients enrolled in Medicaid at a rate equivalent to
6 reimbursement rates provided by the federal Medicare program for
7 the same or similar services, and appropriate funds.

8 SECTION 2. Subject to the appropriation of state funds and
9 availability of federal matching assistance of approximately
10 \$43,000,000, the department of human services may pay certain
11 healthcare providers for their medical and professional services
12 allowed under the Medicaid program for patients enrolled in
13 Medicaid at a rate equivalent to reimbursement rates established
14 by the federal Medicare program for the same or similar
15 services.

16 SECTION 3. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$30,000,000 or so

S.B. NO. 1368

1 much thereof as may be necessary for fiscal year 2023-2024 and
2 the same sum of \$30,000,000 or so much thereof as may be
3 necessary for fiscal year 2024-2025 to provide payment rates to
4 healthcare providers for medical and professional services
5 allowed under the Medicaid program for patients enrolled in
6 Medicaid equivalent to Medicare rates for the same or similar
7 services; provided that no funds shall be made available under
8 this Act unless the federal matching assistance of approximately
9 \$43,000,000 is available for each fiscal year for the purpose
10 which this sum is appropriated.

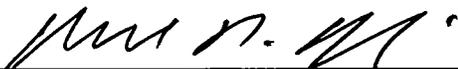
11 The appropriation shall not lapse at the end of the fiscal
12 year for which the appropriation is made; provided that all
13 moneys from the appropriation that are unencumbered as of June
14 30, 2025, shall lapse as of that date.

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

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

18

19

INTRODUCED BY: 

20

BY REQUEST

S.B. NO. 1368

Report Title:

Medicaid Program; Reimbursement Rates for Healthcare Professionals Who Provide Care for Patients Enrolled in Medicaid

Description:

Authorizes the Department of Human Services to pay certain healthcare professionals who provide care allowable under the Medicaid program to patients enrolled in Medicaid an amount similar or equivalent to reimbursement rates paid by the Medicare program. Appropriations.

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: HUMAN SERVICES

TITLE: A BILL FOR AN ACT RELATING TO MEDICAID REIMBURSEMENT RATES FOR CERTAIN HEALTHCARE PROFESSIONALS.

PURPOSE: To authorize the Department of Human Services (DHS), pursuant to section 346-59, Hawaii Revised Statutes, to increase Medicaid reimbursement rates for healthcare professionals and to appropriate funds.

MEANS: Enact a session law.

JUSTIFICATION: During the COVID-19 pandemic and the federal public health emergency, the Hawaii Medicaid program has had continuous coverage requirements for those enrolled on March 6, 2020, and for all who enrolled afterward, except for a few exceptions.

Since March 6, 2020, Medicaid enrollment has increased by over 40 percent from 327,119 to over 459,491 as of December 12, 2022 - or nearly one-third of Hawaii's residents. With this significant number of Hawaii residents covered by Medicaid, healthcare providers who care for Hawaii's residents covered by Medicaid are receiving less reimbursement than they would if the resident were covered by private healthcare insurance.

This bill proposes to increase the reimbursement rates for healthcare providers' medical and professional services allowed under the Medicaid program provided to Hawaii's Medicaid enrollees to be the equivalent reimbursement rate paid by the federal Medicare program for the same or similar service. With additional general fund appropriations, the department will require federal approval to access federal matching funds and implement the reimbursement rate increase.

The projected general fund appropriation needed annually is \$30,000,000; with federal approval, the available federal match will be approximately \$43,000,000.

Impact on the public: The impact on the public will be positive as it may encourage more providers to provide care to Medicaid recipients. Increased rates will assist providers in meeting the cost of care.

Impact on the department and other agencies: The Department of Human Services may require additional resources and time to implement new reimbursement rates. Likewise, the Department of Health may require additional resources and time to implement new reimbursement rates.

GENERAL FUND: \$30,000,000 A.
OTHER FUNDS: \$43,000,000 N.
PPBS PROGRAM
DESIGNATION: HMS 401.
OTHER AFFECTED
AGENCIES: Department of Health.
EFFECTIVE DATE: Upon approval.