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# A BILL FOR AN ACT

RELATING TO THE HOSPITAL AND MEDICAL FACILITIES SPECIAL FUND.

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

1           SECTION 1. Section 321-1.4, Hawaii Revised Statutes, is  
2 amended by amending the title and subsections (a) and (b) to  
3 read as follows:

4           "§321-1.4 [~~Hospital and medical facilities~~] Office of  
5 health care assurance special fund; deposits; expenditures. (a)

6 There is established within the department of health, to be  
7 administered by the department of health, the [~~hospital and~~  
8 ~~medical facilities~~] office of health care assurance special fund  
9 into which shall be deposited moneys collected under section  
10 321-11.5(b) [~~—~~] and all administrative penalties imposed and  
11 collected by the office of health care assurance pursuant to  
12 section 321-20.

13           (b) Moneys in the special fund shall be expended by the  
14 department of health:

15           (1) To assist in offsetting operating costs and  
16 educational program expenses of the [~~department's~~  
17 ~~hospital and medical facilities branch;~~] department of  
18 health's office of health care assurance; and



1 (2) For the purpose of enhancing the capacity of [~~hospital~~  
2 ~~and medical facilities~~] office of health care  
3 assurance programs to:

4 (A) Improve public health outreach efforts, program  
5 and community development, and consultations to  
6 industries regulated; and

7 (B) Educate the public, the staff of the department  
8 of health, [~~hospitals, nursing homes, and care~~  
9 ~~homes, and industries~~] other departments within  
10 the State, as well as staff and providers of all  
11 health care facilities and agencies regulated.

12 Not more than [~~\$230,000~~] \$300,000 of the special fund may be  
13 used during any fiscal year for [~~education.~~] the activities  
14 carried out by the office of health care assurance."

15 SECTION 2. Section 321-11.5, Hawaii Revised Statutes, is  
16 amended by amending subsection (b) to read as follows:

17 "(b) All fees paid and collected pursuant to this section  
18 and rules adopted in accordance with chapter 91 from facilities  
19 seeking licensure or certification by the department of health,  
20 including hospitals, nursing homes, home health agencies,  
21 intermediate care facilities for the mentally retarded,  
22 freestanding outpatient surgical facilities, adult day health



1 care centers, rural health centers, laboratories, adult  
2 residential care homes, expanded adult residential care homes,  
3 developmental disability domiciliary homes, assisted living  
4 facilities, therapeutic living programs, and special treatment  
5 facilities, shall be deposited into the [~~hospital and medical~~  
6 ~~facilities~~] office of health care assurance special fund created  
7 under section 321-1.4. Any other entities required by law to be  
8 licensed by the department of health shall also be subject to  
9 reasonable fees established by the department of health by rules  
10 adopted in accordance with chapter 91."

11 SECTION 3. Section 321-15.6, Hawaii Revised Statutes, is  
12 amended by amending subsection (g) to read as follows:

13 "(g) Any fines collected by the department of health for  
14 violations of this section shall be deposited into the [~~general~~]  
15 office of health care assurance special fund."

16 SECTION 4. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 5. This Act shall take effect upon its approval.



**Report Title:**

Hospital and Medical Facilities Special Fund

**Description:**

Renames the special fund to reflect the current name of the Office of Health Care Assurance (OHCA). Requires that all moneys collected by OHCA in the form of fees and fines be deposited into this account. Allows the moneys deposited into the special fund to be used to offset OHCA's operational expenses. (HB1368 CD1)

