
A BILL FOR AN ACT

RELATING TO MEDICAL REIMBURSEMENT.

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

1 **PART I**

2 SECTION 1. Chapter 432, Hawaii Revised Statutes, is
3 amended by adding a new section to be appropriately designated
4 and to read as follows:

5 "§432- Reimbursement; medicare fee schedule. Effective
6 January 1, 2008, and for each succeeding calendar year
7 thereafter, each participating medical services provider within
8 the network of a mutual benefit society in the State shall be
9 reimbursed on all medicare codes for the provision of medical
10 services to patients, regardless of whether a patient is a
11 participant in a medicaid or QUEST program or not, at a rate not
12 less than one hundred per cent of the medicare reimbursement
13 amount that is in effect for the current year and updated for
14 each calendar year thereafter."



1 **PART II**

2 SECTION 2. Chapter 346, Hawaii Revised Statutes, is
3 amended by adding a new section to be appropriately designated
4 and to read as follows:

5 **"§346- Reimbursement; hospitals and nursing facilities.**
6 Effective January 1, 2008, and for each of the succeeding five
7 calendar years thereafter, each hospital or nursing facility
8 licensed by the state department of health shall be reimbursed
9 on all medicare codes for the provision of medical services to
10 patients, regardless of whether a patient is a participant in a
11 medicaid program, at a rate not less than one hundred ten per
12 cent of the medicaid reimbursement rate in effect for the
13 current year and updated for each calendar year thereafter."

14 SECTION 3. Chapter 431, Hawaii Revised Statutes, is
15 amended by adding a new section to article 10A to be
16 appropriately designated and to read as follows:

17 **"§431:10A- Reimbursement; hospitals and nursing**
18 **facilities.** Effective January 1, 2008, and for each succeeding
19 calendar year thereafter, each hospital or nursing facility
20 licensed by the state department of health shall be reimbursed
21 on all medicare codes for the provision of medical services to
22 patients, regardless of whether a patient is a participant in a



1 medicaid program, at a rate not less than one hundred per cent
2 of the medicare reimbursement amount applicable to Hawaii that
3 is in effect for the current year and updated for each calendar
4 year thereafter."

5 SECTION 4. Chapter 432D, Hawaii Revised Statutes, is
6 amended by adding a new section to be appropriately designated
7 and to read as follows:

8 **"§432D- Reimbursement; hospitals and nursing facilities.**

9 Effective January 1, 2008, and for each succeeding calendar year
10 thereafter, each hospital or nursing facility licensed by the
11 state department of health shall be reimbursed on all medicare
12 codes for the provision of medical services to patients,
13 regardless of whether a patient is a participant in a medicaid
14 program, at a rate not less than one hundred per cent of the
15 medicare reimbursement amount that is in effect for the current
16 year and updated for each calendar year thereafter."

17 SECTION 5. Section 346-59, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) Rates of payment for outpatient hospital services,
20 but excluding emergency room services, and to providers of
21 medical care who are individual practitioners, including doctors
22 of medicine, dentists, podiatrists, psychologists, osteopaths,



1 optometrists, and other [~~individuals~~] providers providing
2 services, shall be based upon the Hawaii medicaid fee schedule.
3 The amounts paid shall [~~not exceed the maximum permitted to be~~
4 ~~paid individual practitioners or other individuals under federal~~
5 ~~law and regulation,~~] be one hundred per cent of the medicare fee
6 schedule for the current year[~~, the state limits as provided in~~
7 ~~the appropriation act, or the provider's billed amount.~~

8 ~~The appropriation act shall indicate the percentage of the~~
9 ~~medicare fee schedule for the year 2000 to be used as the basis~~
10 ~~for establishing the Hawaii medicaid fee schedule. For any~~
11 ~~subsequent adjustments to the fee schedule, the legislature~~
12 ~~shall specify the extent of the adjustment in the appropriation~~
13 ~~act].~~ Rates under the medicaid fee schedule shall be adjusted
14 each year for inflation by multiplying the rates in effect on
15 June 30 of each year by the sum of one plus the inflation factor
16 for the prior fiscal year. The inflation factor shall be based
17 upon the latest available actual, or estimated if actual is not
18 available, national index for providers of medical care. This
19 subsection shall not apply to QUEST medical plans.

20 The department shall report annually to the legislature at
21 least twenty days prior to the convening of each regular session
22 regarding adjustments to rates under the medicaid fee schedule."



1 SECTION 6. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$, or so
3 much thereof as may be necessary for fiscal year 2007-2008, and
4 the same sum, or so much thereof as may be necessary for fiscal
5 year 2008-2009, representing the State's share of funding, for
6 the purposes of this part.

7 The sums appropriated shall be expended by the department
8 of human services for the purposes of this part.

9 **PART III**

10 SECTION 7. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 8. This Act shall take effect on July 1, 2007.



Report Title:

Health Care; Reimbursements; Medicare; Medicaid

Description:

Requires health care plans to reimburse health care providers 100% of the medicaid or medicare reimbursement rate in effect for the current year and updated for each calendar year thereafter. Appropriates \$. (HD1)

