
A BILL FOR AN ACT

RELATING TO HEALTH CARE SERVICES.

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

1 SECTION 1. This Act shall be known as the "Health Care
2 Reinvestment Act".

3 SECTION 2. The legislature finds that according to the
4 American Hospital Association, one third of the nation's
5 hospitals already operate at a loss. Hospitals are incurring
6 high additional costs to ensure essential health care services
7 such as emergency on-call coverage, emergency transport
8 services, and services provided by struggling rural hospitals.
9 Between 2000 and 2004, hospitals reduced essential health care
10 services as they faced volume increases, higher costs, liability
11 concerns, and low or no payment for trauma services.

12 While Hawaii has been a leader in providing health care
13 insurance to permanent employees who work a minimum of twenty
14 hours per week, pursuant to the Prepaid Health Care Act, there
15 are many who are unable to obtain such coverage.

16 Employers have been hit hard by the high cost of health
17 care and, therefore, may employ more people at less than twenty
18 hours per week to avoid having to pay health insurance coverage.



1 This practice may save money for specific employers in the short
2 term, but the long-term repercussions will have serious health
3 and economic effects on society as a whole.

4 It is imperative that health care coverage be provided to
5 all, regardless of age, race, ethnicity, income, or health
6 status, who are ineligible for any state or federal health care
7 program. Health care coverage provided to those in need will
8 relieve a significant amount of strain on hospitals by
9 facilitating:

- 10 (1) Reimbursements for health care services providers;
- 11 (2) Regular health maintenance through a primary care
12 physician for acute or chronic health conditions; and
- 13 (3) A reduction in costly emergency room visits.

14 The purpose of this Act is to appropriate moneys to:

- 15 (1) Support Hawaii's trauma system;
- 16 (2) Sustain statewide aeromedical evacuation programs;
- 17 (3) Fund hospitals; and
- 18 (4) Reduce the number of uninsured in Hawaii.

19 SECTION 3. Chapter 321, Hawaii Revised Statutes, is
20 amended by adding a new section to be appropriately designated
21 and to read as follows:



1 (5) Ten per cent of the fund shall be expended to support
2 health care workforce development for medically
3 underserved areas of the State; and

4 (6) The remaining moneys in the fund shall be used for
5 legislative appropriations to the health insurance
6 support special fund established under section 346- .

7 (b) The department of health shall submit a report to the
8 legislature no later than twenty days prior to the convening of
9 each regular session, beginning with the regular session of
10 2008, that includes:

- 11 (1) The status of the health care reinvestment fund;
- 12 (2) The amount of moneys expended from the fund; and
- 13 (3) The purposes for which these amounts were expended.

14 (c) The director of health shall adopt rules in accordance
15 with chapter 91 to carry out the purposes of this section.

16 (d) As used in this section, "medically underserved area"
17 means a geographic region designated by the Secretary of the
18 United States Department of Health and Human Services under
19 Title 42 Unites States Code Section 254e, as a primary medical
20 care health professional shortage area."



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

4 "§346- Health insurance support special fund; Hawaii
5 health insurance support. (a) There is established within the
6 state treasury a special fund to be known as the health
7 insurance support special fund to be administered and expended
8 by the department of human services and into which shall be
9 deposited legislative appropriations from the health care
10 reinvestment special fund.

11 (b) Moneys in the health insurance support special fund
12 shall be expended by the department for the purposes of
13 supporting:

14 (1) Reimbursements to health care providers and hospitals
15 statewide for services rendered to medicaid patients;

16 (2) The department's Hawaii children's health care program
17 established pursuant to H.B. No. 1008, H.D. 2, 2007;
18 and

19 (3) Subsidies for part-time worker insurance plans to
20 provide for those who do not qualify to receive
21 employer-funded health insurance under the Hawaii
22 Prepaid Health Care Act, chapter 393.



1 (c) The department shall submit a report to the
2 legislature, no later than twenty days prior to the convening of
3 each regular session, beginning with the regular session of
4 2008, which shall include:

5 (1) The status of the health insurance support special
6 fund;

7 (2) The amount of money taken in by and expended from the
8 fund; and

9 (3) The purposes for which these amounts were expended.

10 (d) The director shall adopt rules in accordance with
11 chapter 91 to carry out the purposes of this section.

12 (e) As used in this section, "health care provider" means
13 an individual or institution licensed, certified, or otherwise
14 authorized or permitted by law to provide health care in the
15 ordinary course of business or practice of a profession."

16 SECTION 5. Section 36-27, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "§36-27 Transfers from special funds for central service
19 expenses. Except as provided in this section, and
20 notwithstanding any other law to the contrary, from time to
21 time, the director of finance, for the purpose of defraying the



1 prorated estimate of central service expenses of government in
2 relation to all special funds, except the:

- 3 (1) Special out-of-school time instructional program fund
4 under section 302A-1310;
- 5 (2) School cafeteria special funds of the department of
6 education;
- 7 (3) Special funds of the University of Hawaii;
- 8 (4) State educational facilities improvement special fund;
- 9 (5) Convention center enterprise special fund under
10 section 201B-8;
- 11 (6) Special funds established by section 206E-6;
- 12 (7) Housing loan program revenue bond special fund;
- 13 (8) Housing project bond special fund;
- 14 (9) Aloha Tower fund created by section 206J-17;
- 15 (10) Funds of the employees' retirement system created by
16 section 88-109;
- 17 (11) Unemployment compensation fund established under
18 section 383-121;
- 19 (12) Hawaii hurricane relief fund established under chapter
20 431P;
- 21 (13) Hawaii health systems corporation special funds;



- 1 (14) Tourism special fund established under section
2 201B-11;
- 3 (15) Universal service fund established under chapter 269;
- 4 (16) Integrated tax information management systems special
5 fund under section 231-3.2;
- 6 (17) Emergency and budget reserve fund under section
7 328L-3;
- 8 (18) Public schools special fees and charges fund under
9 section 302A-1130(f);
- 10 (19) Sport fish special fund under section 187A-9.5;
- 11 (20) Neurotrauma special fund under section 321H-4;
- 12 (21) Deposit beverage container deposit special fund under
13 section 342G-104;
- 14 (22) Glass advance disposal fee special fund established by
15 section 342G-82;
- 16 (23) Center for nursing special fund under section
17 [†]304A-2163 [†];
- 18 (24) Passenger facility charge special fund established by
19 section 261-5.5;
- 20 (25) Solicitation of funds for charitable purposes special
21 fund established by section 467B-15;
- 22 (26) Land conservation fund established by section 173A-5;



1 (27) Court interpreting services revolving fund under
2 section 607-1.5;

3 (28) Trauma system special fund under section 321-22.5;

4 (29) Hawaii cancer research special fund;

5 (30) Community health centers special fund; [and]

6 (31) Emergency medical services special fund[+];

7 (32) Health insurance support special fund established by
8 section 346- ; and

9 (33) Health care reinvestment special fund established by
10 section 321- ;

11 shall deduct five per cent of all receipts of all other special
12 funds, which [~~deduction~~] shall be transferred to the general
13 fund of the State and become general realizations of the State.

14 All officers of the State and other persons having power to
15 allocate or disburse any special funds shall cooperate with the
16 director in effecting these transfers. To determine the proper
17 revenue base upon which the central service assessment is to be
18 calculated, the director shall adopt rules pursuant to chapter
19 91 for the purpose of suspending or limiting the application of
20 the central service assessment of any fund. No later than
21 twenty days prior to the convening of each regular session of



1 the legislature, the director shall report all central service
2 assessments made during the preceding fiscal year. [†]"

3 SECTION 6. Section 36-30, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "§36-30 Special fund reimbursements for departmental
6 administrative expenses. (a) Each special fund, except the:

7 (1) Transportation use special fund established by section
8 261D-1;

9 (2) Special out-of-school time instructional program fund
10 under section 302A-1310;

11 (3) School cafeteria special funds of the department of
12 education;

13 (4) Special funds of the University of Hawaii;

14 (5) State educational facilities improvement special fund;

15 (6) Special funds established by section 206E-6;

16 (7) Aloha Tower fund created by section 206J-17;

17 (8) Funds of the employees' retirement system created by
18 section 88-109;

19 (9) Unemployment compensation fund established under
20 section 383-121;

21 (10) Hawaii hurricane relief fund established under chapter
22 431P;



- 1 (11) Convention center enterprise special fund established
- 2 under section 201B-8;
- 3 (12) Hawaii health systems corporation special funds;
- 4 (13) Tourism special fund established under section
- 5 201B-11;
- 6 (14) Universal service fund established under chapter 269;
- 7 (15) Integrated tax information management systems special
- 8 fund under section 231-3.2;
- 9 (16) Emergency and budget reserve fund under section
- 10 328L-3;
- 11 (17) Public schools special fees and charges fund under
- 12 section 302A-1130(f);
- 13 (18) Sport fish special fund under section 187A-9.5;
- 14 (19) Neurotrauma special fund under section 321H-4;
- 15 (20) Center for nursing special fund under section
- 16 [†]304A-2163 [‡];
- 17 (21) Passenger facility charge special fund established by
- 18 section 261-5.5;
- 19 (22) Court interpreting services revolving fund under
- 20 section 607-1.5;
- 21 (23) Trauma system special fund under section 321-22.5;
- 22 (24) Hawaii cancer research special fund;



- 1 (25) Community health centers special fund; [and]
- 2 (26) Emergency medical services special fund[+];
- 3 (27) Health insurance support special fund established by
- 4 section 346- ; and
- 5 (28) Health care reinvestment special fund established by
- 6 section 321- ;

7 shall be responsible for its pro rata share of the
 8 administrative expenses incurred by the department responsible
 9 for the operations supported by the special fund concerned.[+]"

10 SECTION 7. Section 321-22.5, Hawaii Revised Statutes, is
 11 amended by amending subsection (c) to read as follows:

12 "(c) Interest and investment earnings attributable to the
 13 moneys in the trauma system special fund, federal funding,
 14 legislative appropriations, [and] grants, moneys from the health
 15 care reinvestment special fund, donations, and contributions
 16 from private or public sources for the purposes of the trauma
 17 system special fund shall be deposited into the trauma system
 18 special fund."

19 SECTION 8. There is appropriated out of the general
 20 revenues of the State of Hawaii the sum of \$ or so
 21 much thereof as may be necessary for fiscal year 2007-2008 and
 22 the same sum or so much thereof as may be necessary for fiscal



1 year 2008-2009 to be deposited into the health care reinvestment
2 special fund.

3 SECTION 9. There is appropriated out of the health care
4 reinvestment special fund the sum of \$1 or so much thereof as
5 may be necessary for fiscal year 2007-2008 and the same sum or
6 so much thereof as may be necessary for fiscal year 2008-2009 to
7 support:

- 8 (1) Hospitals in meeting their needs for securing
- 9 emergency on-call services;
- 10 (2) Emergency transport services; and
- 11 (3) Rural hospitals in providing health care services.

12 The sums appropriated shall be expended by the department
13 of health for the purposes of this Act.

14 SECTION 10. There is appropriated out of the health care
15 reinvestment special fund the sum of \$1 for fiscal year
16 2007-2008 and the same sum for fiscal year 2008-2009 to be
17 deposited into the health insurance support special fund.

18 SECTION 11. There is appropriated out of the health
19 insurance support special fund the sum of \$1 or so much thereof
20 as may be necessary for fiscal year 2007-2008 and the same sum
21 or so much thereof as may be necessary for fiscal year 2008-2009
22 to:



1 (1) Subsidize payments of high-deductible health insurance
2 premiums for employees who are ineligible for
3 employer-provided health insurance pursuant to chapter
4 393, Hawaii Revised Statutes; and

5 (2) Assist individuals who do not qualify for any other
6 state-funded health care insurance assistance program
7 in acquiring adequate health care insurance coverage.

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

10 SECTION 12. In codifying this Act, the revisor of statutes
11 shall substitute appropriate statutory references for the bill
12 number referred to in section 4 of this Act.

13 SECTION 13. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 14. This Act shall take effect on July 1, 2020.



Report Title:

Health Care Services; Appropriations

Description:

Appropriates general funds to support Hawaii's trauma system, statewide aeromedical evacuation programs, rural hospitals, Hawaii children's health care program, and support services for people without health insurance. (SD1)

