A BILL FOR AN ACT

RELATING TO THE NURSING FACILITY SUSTAINABILITY PROGRAM.

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

1	SECTION 1. Act 156, Session Laws of Hawaii 2012, as
2	amended by section 2 of Act 142, Session Laws of Hawaii 2013, as
3	amended by section 1 of Act 124, Session Laws of Hawaii 2014, as
4	amended by section 1 of Act 69, Session Laws of Hawaii 2015, is
5	amended by amending section 2 as follows:
6	1. By amending subsection (c) of § -4, Hawaii Revised
7	Statutes, to read:
8	"(c) Revenue from the nursing facility sustainability fee
9	shall be used exclusively as follows:
10	(1) No less than eighty-eight per cent of the revenue from
11	the nursing facility sustainability fee shall be used
12	to match federal medicaid funds, with the combined
13	total to be used to enhance capitated rates to
14	medicaid managed care health plans for the purpose of
15	increasing medicaid payments to private nursing
16	facilities;

Page 2

,

H.B. NO. 1942

1	(2)	Twelve per cent of the revenue from the nursing
2		facility sustainability fee may be used by the
3		department for other departmental purposes; and
4	(3)	All moneys remaining in the special fund on
5		December 30, $[2015,]$ 2017, shall be distributed to
· 6		nursing facilities within thirty days in the same
7		proportions as received from the nursing facilities."
8	2. E	By amending § -10, Hawaii Revised Statutes, to read:
9	۳§	-10 Enhanced rates to medicaid managed care health
10	plans. Ir	n accordance with title 42 Code of Federal Regulations
11	section 43	38, the department shall use revenues from the nursing
12	facility s	sustainability fee and federal matching funds to
13	enhance th	ne capitated rates paid to medicaid managed care health
14	plans for	the state fiscal year [2015-2016,] <u>2016-2017,</u>
15	consistent	t with the following objectives:
16	(1)	The rate enhancement shall be used exclusively for
17		increasing reimbursements to private nursing
18		facilities to support the availability of services and
19		to ensure access to care to the medicaid managed care
20		health plan enrollees;

1 (2)The rate enhancement shall be made part of the monthly 2 capitated rates by the department to medicaid managed 3 care health plans, which shall provide documentation 4 to the department and the nursing facility trade 5 associations located in Hawaii certifying that the 6 revenues received under paragraph (1) are used in 7 accordance with this section; 8 (3) The rate enhancement shall be actuarially sound and 9 approved by the federal government for federal fund 10 participation; and 11 (4) The department shall modify the fee-for-service 12 reimbursement rates of the nursing facilities to 13 recognize the medicaid portion of the nursing facility 14 sustainability fee as an additional cost of serving medicaid patients, and to provide a uniform percentage 15 16 increase in pre-existing facility-specific rates." 17 3. By amending subsection (a) of § -13, Hawaii Revised 18 Statutes, to read: "(a) 19 Collection of the nursing facility sustainability fee 20 under section -5 shall be discontinued if:

2016-0353 HB SMA-2.doc

Page 3

1	(1)	The waiver in section -7 or the enhanced capitation
2		rates in section -10 have not been approved by the
3		Centers for Medicare and Medicaid Services;
4	(2)	The department reduces funding for nursing facility
5		services below the state appropriation in effect on
6		June 30, [2015;] <u>2016;</u>
7	(3)	The department or any other state agency uses the
8		money in the special fund for any use other than the
9		uses permitted pursuant to this chapter; or
10	(4)	Federal financial participation to match the nursing
11		facility sustainability fee becomes unavailable under
12		federal law. In such case, the department shall
13		terminate the collection of the fee beginning on the
14		effective date of the federal statutory, regulatory,
15		or interpretive change."
16	SECT	ION 2. Act 156, Session Laws of Hawaii 2012, as
17	amended by	y section 3 of Act 142, Session Laws of Hawaii 2013, as
18	amended by	y section 2 of Act 124, Session Laws of Hawaii 2014, as
19	amended by	y section 2 of Act 69, Session Laws of Hawaii 2015, is
20	,amended by	y amending section 5 to read as follows:

2016-0353 HB SMA-2.doc

Page 4

Page 5

H.B. NO. 1942

1 "SECTION 5. This Act shall take effect on July 1, 2012, 2 and shall be repealed on June 30, [2016;] 2017; provided that -4, Hawaii Revised Statutes, established by section 2 3 section 4 of this Act, and the amendment made to section 36-30(a), Hawaii 5 Revised Statutes, in section 3 of this Act, shall be repealed on 6 December 31, [2016;] 2017; and provided further that the 7 amendment made to section 36-30(a), Hawaii Revised Statutes, in 8 section 3 of this Act shall not be repealed when section 36-30, 9 Hawaii Revised Statutes, is reenacted on June 30, 2015, pursuant 10 to section 34 of Act 79, Session Laws of Hawaii 2009." 11 SECTION 3. There is appropriated out of the nursing 12 sustainability program special fund sum of \$14,000,000 or so 13 much thereof as may be necessary for fiscal year 2016-2017 for 14 uses consistent with the nursing facility sustainability 15 program. 16 The sum appropriated shall be expended by the department of 17 human services for the purposes of this Act.

18 SECTION 4. Statutory material to be repealed is bracketed19 and stricken. New statutory material is underscored.



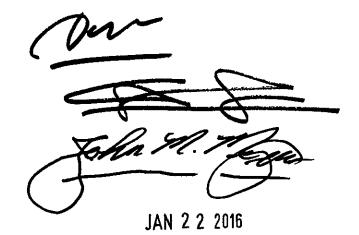
4

H.B. NO. 1942

SECTION 5. This Act shall take effect on July 1, 2016;
provided that sections 1 and 2 of this Act shall take effect on
June 29, 2016.

INTRODUCED BY:

Alle as



Report Title: Nursing Facility Sustainability Program; Appropriation

Description: Continues the nursing facility sustainability program for one additional year. Appropriates funds out of the nursing facility sustainability program special fund for fiscal year 2016-2017.

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



(