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# A BILL FOR AN ACT

RELATING TO HEALTH.

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

1       SECTION 1. The legislature finds that community health  
2       centers serve uninsured, underinsured, low-income patient  
3       populations with demographic complexities and co-morbidities, in  
4       addition to one-fourth of the State's medicaid members, and many  
5       of the State's homeless individuals and families. Community  
6       health centers:

7           (1) Are nonprofit, community-based organizations whose  
8               purpose and expertise lie in providing quality,  
9               person-centered health care to underserved populations  
10              and areas;

11          (2) Provide culturally and linguistically appropriate  
12               health care and a broad range of integrated primary  
13               care and preventative services;

14          (3) Operate in medically underserved areas where people  
15               have limited access to other health care providers  
16               because of geographic and socio-economic barriers;

17          (4) Contribute greatly to the economies and livability of  
18               the communities they serve; and



(5) Are cost-effective, quality health care providers whose care results in healthier patients and decreased use of emergency, specialty, and in-patient services.

Community health centers save the health care system \$1,263 per patient per year due to timely, effective care and care management that reduce unnecessary emergency room, in-patient, and specialty utilization, which translated to savings of more than \$90,000,000 for Hawaii's medicaid program in 2013.

Community health centers offer patient-centered delivery systems that feature comprehensive primary medical, behavioral health, and dental services; provide care management and enabling services that enhance access, compliance, and patient engagement; and focus on quality outcomes supported by electronic health records that conform to meaningful use requirements. Community health centers are a smart investment that result in healthier communities while saving the State money.

Implementation of the Patient Protection and Affordable Care Act has resulted in uncertainty for many individuals and presents challenges for those individuals to obtain health insurance. Overall, about twenty per cent of health center



1 patients remain uninsured, and some health centers have even  
2 larger percentages of uninsured patient populations. For these  
3 reasons, it is imperative that the State provide support and  
4 resources to health centers so that uninsured individuals have  
5 access to primary medical, dental, and behavioral health care  
6 services that prevent unnecessary or inappropriate use of the  
7 emergency room and minimize uncompensated health care costs and  
8 state expenditures arising from treatment for preventable  
9 injuries and illnesses.

10 Accordingly, the purpose of this Act is to appropriate  
11 funds to provide quality, cost-effective direct health care for  
12 uninsured and underinsured patients at community health centers.

13 SECTION 2. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$6,000,000 or so much  
15 thereof as may be necessary for fiscal year 2015-2016 and the  
16 same sum or so much thereof as may be necessary for fiscal year  
17 2016-2017 for direct health care, which may include primary  
18 medical, dental, and behavioral health care, for the uninsured  
19 and underinsured patients at community health centers; provided  
20 that distribution of funds may be on a "per visit" basis and may



1 include an additional per member per month quality incentive  
2 payment that takes into consideration need in all counties.

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

5 SECTION 3. This Act shall take effect on July 1, 2015.



**Report Title:**

Uninsured; Underinsured; Health Care; Appropriation

**Description:**

Appropriates funds for direct health care, including primary medical, dental, and behavioral services, for uninsured and underinsured patients at community health centers. (SD1)

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