

DAVID Y. IGE
GOVERNOR OF HAWAII



DEPT. COMM. NO. 298

VIRGINIA PRESSLER, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX 3378
HONOLULU, HI 96801-3378

In reply, please refer to:

January 11, 2018

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of an "Annual Report that Outlines the Status of the Office of Health Care Assurance Special Fund, Including the Amounts of Moneys Deposited into and Expended from the Fund, and Sources of Receipts and Uses of Expenditures," as required by 321-1.4, Hawaii Revised Statutes (HRS).

In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at:

<http://health.hawaii.gov/opppd/departement-of-health-reports-to-2018-legislature/>

Sincerely,

A handwritten signature in cursive script that reads "Virginia Pressler".

VIRGINIA PRESSLER

Director of Health

Enc.

c: Senate
House
Legislative Reference Bureau
SOH Library System (7 copies)
University of Hawaii

REPORT TO THE TWENTY-NINETH LEGISLATURE
STATE OF HAWAII
2018

PURSUANT TO SECTION 321-1.4, HAWAII REVISED STATUTES, REQUESTING
THE DEPARTMENT OF HEALTH TO SUBMIT AN ANNUAL REPORT THAT
OUTLINES THE STATUS OF THE OFFICE OF HEALTH CARE ASSURANCE
SPECIAL FUND, INCLUDING THE AMOUNT OF MONEYS DEPOSITED INTO AND
EXPENDED FROM THE FUND, AND SOURCES OF RECEIPTS AND USES OF
EXPENDITURES

PREPARED BY:
STATE OF HAWAII
DEPARTMENT OF HEALTH
DECEMBER 2017

EXECUTIVE SUMMARY

In accordance with Section 321-1.4, HRS, the Department of Health is submitting a report to the 2018 Legislature that identifies the amount of moneys deposited into and expended from the Office of Health Care Assurance Special Fund and the sources of receipts and uses of expenditures.

Act 120, H.B. No. 1664 of the 1999 Legislative Session established the hospital and medical facilities special fund in order that moneys collected would be expended to assist in offsetting program expenses of the department's hospital and medical facilities branch. Act 188, H.B. No. 1357 of the 2001 Legislative Session amended the original intent of the special fund to offset educational program expenses and enhance the capacity of the program to improve public outreach efforts and consultations to industries regulated and educate the public, staff of the department, hospitals, nursing homes and care homes and industries regulated. Act 90, H.B. No. 1368 of the 2007 Legislative Session renamed the special fund to reflect the current name of the Office of Health Care Assurance (OHCA). It also requires that moneys collected by OHCA in the form of fees and fines be deposited into this account and allows the special fund to be used to offset OHCA's operational expenses.

The current balance as of June 30, 2017, is \$44,544.90.

**REPORT TO THE LEGISLATURE
IN COMPLIANCE WITH SECTION 321-1.4, HRS**

Introduction:

The Department of Health (DOH) is committed to ensure the health, welfare and safety of all individuals receiving health care services in all settings in the State. In order to achieve this goal, the department has established minimal standards for licensure and certification that is monitored through inspections and investigations. As deficiencies are identified, the department provides consultation to correct deficient practices.

Conclusion:

Revenues were generated from licensure fees assessed to durable medical equipment (DME) suppliers when the DOH implemented the DME supplier licensure program pursuant to Act 137 SLH 2016 (formerly Senate Bill 2076) which was enacted on June 30, 2016, and the licensure program became effective on January 1, 2017.

The department will also establish licensing fees on all other health care facilities in Hawaii and will begin to collect those fees by the close of FY 2018. These fees will be deposited into the special fund. Below is the balance as of June 30, 2017.

Beginning Balance (July 1, 2016)	Revenues	Cash Transfer	Expenditures/ Encumbrances	Balance (June 30, 2017)
\$20,971.00	\$24,757.59	\$0.00	\$1,183.69	\$44,544.90