

JAN 20 2017

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# A BILL FOR AN ACT

RELATING TO MEDICAID.

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

1           SECTION 1. The legislature finds that a bottleneck occurs  
2 between hospitals and long-term care facilities for waitlisted  
3 health care patients, particularly those with complex medical  
4 needs. Waitlisted health care patients are individuals who have  
5 recovered sufficiently to no longer need the acute level of care  
6 that a hospital provides, but who cannot be transferred from a  
7 hospital to another facility because an appropriate placement  
8 cannot be found. It is especially difficult to locate a  
9 placement for patients who have a complex medical need, such as  
10 a traumatic brain injury or cognitive impairment, as the costs  
11 of treating these patients are prohibitively high for long-term  
12 care facilities. The current medicaid level of reimbursement  
13 for long-term care facilities does not match the cost of  
14 providing services to health care patients with medically  
15 complex needs.

16           To help hospitals place high-cost patients who no longer  
17 need acute care into appropriate long-term care settings, it is



1 critical that long-term care facilities receive payments that  
2 better reflect the costs of care attendant with medically  
3 complex cases. One way to more adequately compensate long-term  
4 care facilities for these services is to provide an add-on  
5 payment to the long-term care medicaid base rate for patients  
6 with complex medical needs. According to data collected by  
7 George Washington University for the Medicaid and CHIP Payment  
8 and Access Commission, thirty-eight other states provide add-on  
9 payments to the medicaid base rate to help long-term care  
10 providers care for patients with complex needs, including  
11 ventilators, behavioral health issues, and cognitive  
12 impairments. Providing an add-on payment will help long-term  
13 care facilities cover the additional costs needed to care for  
14 these patients and facilitate the timely discharge of patients  
15 with complex needs from hospitals, thereby cutting health care  
16 costs.

17 The purpose of this Act is to provide enhanced medicaid  
18 payments to long-term care facilities that accept and care for  
19 medically-complex patients awaiting discharge from an acute care  
20 hospital, to help place patients in the most appropriate setting  
21 of care, and to open up hospital beds for acute patients.



1 SECTION 2. 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- Medically complex add-on payments. (a) Insurers  
5 that contract with the department to provide long-term care  
6 services to medicaid enrollees shall provide a medically complex  
7 add-on payment, in addition to the base rate, for medical  
8 enrollees in long-term care facilities with complex medical,  
9 behavioral, mental health, and cognitive needs who are  
10 waitlisted at an acute care hospital.

11 (b) The insurer shall provide a medically complex add-on  
12 payment to the long-term care facility's base rate as long as  
13 the medicaid enrollee meets at least one of the following  
14 conditions:

- 15 (1) A moderately severe to very severe medical or physical  
16 health conditions;  
17 (2) Incurs drug costs that exceed the base rate for any  
18 admission;  
19 (3) Cognitive dementia;  
20 (4) Traumatic brain injury or head trauma;



1       (5) Moderately severe to very severe mental or behavioral  
2       health conditions; or

3       (6) Any other condition the director deems appropriate.

4       (c) The long-term care facility shall provide and keep  
5       sufficient documentation in the medicaid enrollee's clinical  
6       record to justify the medically complex add-on payment  
7       determination in accordance with any rules the department may  
8       issue. This shall include documentation of:

9       (1) At least one qualifying condition and the severity of  
10       any symptoms;

11       (2) Qualifying conditions for complex care, including:

12       (A) Significant physical and nutritional needs  
13       requiring full assistance with nutrition,  
14       mobility, and activities of daily living;

15       (B) Any complex medical needs that make the medicaid  
16       enrollee medically fragile;

17       (C) Any complex behavioral or mental needs; or

18       (D) Enhanced supports; and

19       (3) The need for direct service worker resources.

20       (d) The add-on payment shall be forty per cent of the  
21       medicaid base rate.



1        (e) As used in this section:

2        "Acute care hospital" means an institution providing acute  
3 health care services licensed or certified by the department of  
4 health under chapter 321.

5        "Long-term care facility" shall have the same meaning as in  
6 section 349-21.

7        "Medicaid enrollees" means individuals enrolled in the  
8 state medicaid program.

9        "Waitlisted" means no longer requiring an acute level of  
10 care but residing in an acute care facility because no  
11 appropriate placements or services can be secured."

12        SECTION 3. There is appropriated out of the general  
13 revenues of the State of Hawaii the sum of \$                    or so  
14 much thereof as may be necessary for fiscal year 2017-2018 and  
15 the same sum or so much thereof as may be necessary for fiscal  
16 year 2018-2019 to provide a medically complex add-on payment to  
17 long-term care facilities for qualified waitlisted medicaid  
18 enrollees pursuant to this Act.

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

21        SECTION 4. New statutory material is underscored.



# S.B. NO. 374

1 SECTION 5. This Act shall take effect on July 1, 2017.

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# S.B. NO. 374

**Report Title:**

Medicaid; Hospitals; Long-term Care; Skilled Nursing; Add-on Payment; Appropriation

**Description:**

Establishes an add-on payment of forty per cent to the medicaid base rate for medicaid enrollees at long-term care facilities that have medically complex conditions requiring higher level of care. Appropriates funds for fiscal years 2018 and 2019 to cover increased costs.

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