

# H.B. NO. 2152

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## A BILL FOR AN ACT

RELATING TO THE OFFICE OF HEALTHCARE ASSURANCE SPECIAL FUND.

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

1           SECTION 1. The purpose of this Act is to establish the  
2 ceiling of the office of healthcare assurance special fund  
3 through the state budget process. This provides greater  
4 flexibility for the legislature to review spending proposals and  
5 for the department to avoid an artificial ceiling. The office  
6 of health care assurance special funds can be used to offset  
7 increasing operational expenses, upgrade and expand the  
8 Department of Health's management information system for the  
9 healthcare facility licensing program, implement and upgrade a  
10 web-based portal for a robust industry-wide background check  
11 system for criminal history and registry checks on healthcare  
12 facility licensees and employees, fund state licensing surveyor  
13 and support positions where general funds were eliminated or  
14 reduced, and fund other contracts for inspection services.  
15 Furthermore, in response to the COVID-19 pandemic, there is  
16 increased need for education and outreach on health care  
17 facilities and agencies to assure appropriate and high-quality  
18 healthcare facility access. Use of these special funds will

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1 reduce dependence on the general fund during the COVID-19  
2 pandemic and allow the legislature to use its limited general  
3 funds on other critical programs.

4 SECTION 2. Section 321-1.4, Hawaii Revised Statutes, is  
5 amended by amending subsections (b) and (c) to read as follows:

6 "(b) Moneys in the special fund shall be expended by the  
7 department of health:

- 8 (1) To assist in offsetting operating costs and  
9 educational program expenses of the department of  
10 health's office of health care assurance; and  
11 (2) For the purpose of enhancing the capacity of  
12 office of health care assurance programs to:  
13 (A) Improve public health outreach efforts,  
14 program and community development, and  
15 consultations to industries regulated;  
16 (B) Educate the public, the staff of the  
17 department of health, and other departments  
18 within the State, as well as staff and  
19 providers of all health care facilities and  
20 agencies regulated; and

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1 (C) Administer and support the durable medical  
2 equipment supplier license program  
3 established pursuant to part XLIII.

4 ~~[Not more than \$327,000 of the special fund may be used during~~  
5 ~~any fiscal year for the activities carried out by the office of~~  
6 ~~health care assurance.]~~

7 (c) ~~[Any amount in the special fund in excess of \$387,500~~  
8 ~~on June 30 of each year shall be deposited into the general~~  
9 ~~fund.]~~ Moneys in the special fund may be used during any fiscal  
10 year for the activities carried out by the office of health care  
11 assurance."

12 SECTION 3. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: 

BY REQUEST

JAN 24 2022

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**Report Title:**

Office of Healthcare Assurance Special Fund; Ceiling

**Description:**

Increase the ceiling of the Office of Healthcare Assurance Special Fund to meet expanding program needs and diminish dependence on the general fund.

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

JUSTIFICATION SHEET

DEPARTMENT: HEALTH

TITLE: A BILL FOR AN ACT RELATING TO THE OFFICE OF HEALTHCARE ASSURANCE SPECIAL FUND.

PURPOSE: Eliminate the annual expenditure ceiling to meet expanding program needs and reduce dependence on general funds during the COVID-19 public health emergency.

MEANS: Amend section 321-1.4(b) and (c), Hawaii Revised Statutes.

JUSTIFICATION: Additional financial resources are required to implement new computer systems that will upgrade and expand the Department of Health healthcare facility licensing program, including implementation of a criminal background history check system for healthcare employees, fund positions where general funds were eliminated, and fund contracts. Furthermore, the COVID-19 pandemic has revealed opportunities for more public education and outreach as well as healthcare facility training.

Impact on the public: N/A.

Impact on the department and other agencies: N/A.

GENERAL FUND: Reduce dependence on general funds during the COVID-19 public health emergency by allowing increased expenditures from the special fund.

OTHER FUNDS: N/A.

PPBS PROGRAM DESIGNATION: HTH-720.

OTHER AFFECTED

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AGENCIES: N/A.

EFFECTIVE DATE: Upon approval.