
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 coronavirus disease 2019 (COVID-
16 19) pandemic, there is an increased need for education and
17 outreach on healthcare facilities and agencies to assure



1 appropriate and high-quality healthcare facility access. Use of
2 these special funds will reduce dependence on the general fund
3 during the COVID-19 pandemic and allow the legislature to use
4 its limited general funds on other critical programs.

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

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

9 (1) To assist in offsetting operating costs and
10 educational program expenses of the department of
11 health's office of health care assurance; and

12 (2) For the purpose of enhancing the capacity of office of
13 health care assurance programs to:

14 (A) Improve public health outreach efforts, program
15 and community development, and consultations to
16 industries regulated;

17 (B) Educate the public, the staff of the department
18 of health, and other departments within the
19 State, as well as staff and providers of all
20 health care facilities and agencies regulated;
21 and



1 (C) Administer and support the durable medical
2 equipment supplier license program established
3 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 on January 1, 2050.



Report Title:

Office of Healthcare Assurance Special Fund; Ceiling

Description:

Increases the ceiling of the Office of Healthcare Assurance Special Fund to meet expanding program needs and diminish dependence on the general fund. Effective 1/1/2050. (SD1)

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