



GOV. MSG. NO. 1357

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

7/7/2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

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

This is to inform you that on 7/7/2022, the following bill was signed into law:

SB3236 SD2 HD1 CD1

RELATING TO MEDICAID PATIENT CARE.
ACT 254

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

Approved by the Governor

JUL 07 2022

on _____

THE SENATE
THIRTY-FIRST LEGISLATURE, 2022
STATE OF HAWAII

ACT 254

S.B. NO. 3236
S.D. 2
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO MEDICAID PATIENT CARE.

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

1 SECTION 1. The legislature finds that the coronavirus
2 disease 2019 (COVID-19) pandemic has created significant
3 staffing and financial strains for Hawaii's long-term care
4 facilities. Nursing facilities, community care foster family
5 homes, and expanded adult residential care homes in the State
6 continue to face increased costs, reduced revenues, staff
7 shortages, and other challenges, making it difficult to maintain
8 a high quality of care. The legislature believes that these
9 large and ongoing pandemic-related losses are not sustainable
10 for Hawaii's nursing facilities, community care foster family
11 homes, and expanded adult residential care homes, and threaten
12 the integrity of the State's health care system.

13 The legislature recognizes that nursing facilities in the
14 State experienced additional costs and revenue losses as a
15 result of the pandemic, totaling \$50,000,000 in 2020 alone.
16 Lower occupancy rates led to almost \$21,000,000 in decreased
17 revenues, while nursing facilities additionally spent an
18 estimated \$27,000,000 on COVID-19 testing; personal protective



1 equipment; temporary staff to administer vaccinations; and
2 boosters; supplies; and other pandemic-related expenses. These
3 costs continued in 2021 and 2022 as the State experienced surges
4 of the highly contagious delta and omicron variants of COVID-19.

5 The legislature also recognizes that the soaring cost of
6 labor during the pandemic has been especially damaging to
7 Hawaii's long-term care providers. According to the Healthcare
8 Association of Hawaii, labor costs account for approximately
9 seventy per cent of total costs for the State's nursing
10 facilities. Many nursing facilities have been forced to rely on
11 temporary staff from staffing agencies to compensate for staff
12 absences due to COVID-19 exposure or infection, employee
13 burnout, or employee attrition. The staffing agency fees have
14 added significantly to the facilities' cost of labor.

15 The legislature acknowledges that the State's nursing
16 facilities have received some federal assistance, including
17 approximately \$20,600,000 in provider relief fund payments.
18 However, these moneys only cover approximately thirty per cent
19 of the facilities' total pandemic-related losses. Additionally,
20 very little other federal funding was made available to cover
21 the costs of COVID-19 testing, personal protective equipment,



1 temporary staff for testing and vaccination, and other expenses,
2 and there are no plans or expectations that any additional
3 federal funds will be made available in the future.

4 Accordingly, the purpose of this Act is to help preserve
5 the financial viability of nursing facilities, community care
6 foster family homes, and expanded adult residential care homes
7 in the State by providing a one-time enhanced payment to state-
8 licensed skilled nursing facilities, community care foster
9 family homes, and expanded adult residential care homes that are
10 caring for medicaid patients. The legislature notes that this
11 enhanced payment would be comparable to the enhanced payments
12 other states are offering to their nursing facilities to assist
13 with pandemic-related costs and lost revenues.

14 SECTION 2. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$18,000,000 or so
16 much thereof as may be necessary for fiscal year 2022-2023 to
17 provide enhanced payments to state-licensed skilled nursing
18 facilities, community care foster family homes, and expanded
19 adult residential care homes that are caring for medicaid
20 patients; provided that the department of human services shall



1 obtain the maximum amount of federal matching funds available
2 for this expenditure.

3 The sum appropriated shall be expended by the department of
4 human services for the purposes of this Act.

5 SECTION 3. This Act shall take effect on July 1, 2022.



S.B. NO. 3236
S.D. 2
H.D. 1
C.D. 1

APPROVED this 7th day of July, 2022


A handwritten signature in black ink, reading "David Ige". The signature is written in a cursive style with a large, sweeping flourish under the name.


GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI‘I

Date: May 3, 2022
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-First Legislature of the State of Hawai‘i, Regular Session of 2022.


President of the Senate


Clerk of the Senate

SB No. 3236, SD 2, HD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 03, 2022
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2022.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives