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# 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 in the State continue to face  
5 increased costs, reduced revenues, staff shortages, and other  
6 challenges, making it difficult to maintain a high quality of  
7 care. The legislature believes that these large and ongoing  
8 pandemic-related losses are not sustainable for Hawaii's nursing  
9 facilities and threaten the integrity of the State's health care  
10 system.

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



1 boosters, supplies, and other pandemic-related expenses. These  
2 costs continued in 2021 and 2022 as the State experienced surges  
3 of the highly contagious delta and omicron variants of COVID-19.

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

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



1 and there are no plans or expectations that any additional  
2 federal funds will be made available in the future.

3 Accordingly, the purpose of this Act is to help preserve  
4 the financial viability of nursing facilities in the State by  
5 providing a one-time enhanced payment of fifteen per cent to  
6 each nursing facility caring for medicaid patients. The  
7 legislature notes that this enhanced payment would be comparable  
8 to the enhanced payments other states are offering to their  
9 nursing facilities to assist with pandemic-related costs and  
10 lost revenues.

11 SECTION 2. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$ or so  
13 much thereof as may be necessary for fiscal year 2022-2023 to  
14 provide enhanced payments to any facility in the State licensed  
15 by medicare to provide skilled nursing or intermediate care to  
16 medicaid patients; provided that the department of human  
17 services shall obtain the maximum amount of federal matching  
18 funds available for this expenditure.

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

21 SECTION 3. This Act shall take effect on July 1, 2050.



**Report Title:**

Health Care; Medicaid; Medicare Licensed Facility; Pandemic; Appropriation

**Description:**

Appropriates moneys to provide one-time enhanced payments of fifteen per cent to any facility in the State licensed by medicare to provide skilled nursing or intermediate care to medicaid patients to assist with pandemic-related costs and lost revenues. Effective 7/1/2050. (HD1)

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