
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 healthcare 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



1 estimated \$27,000,000 on COVID-19 testing, personal protective
2 equipment, temporary staff to administer vaccinations and
3 boosters, supplies, and other pandemic-related expenses. These
4 costs continued in 2021 and 2022 as the State experienced surges
5 of the highly contagious delta and omicron variants of COVID-19.

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

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



1 the costs of COVID-19 testing, personal protective equipment,
2 temporary staff for testing and vaccination, and other expenses,
3 and there are no plans or expectations that any additional
4 federal funds will be made available in the future.

5 Accordingly, the purpose of this Act is to help preserve
6 the financial viability of nursing facilities, community care
7 foster family homes, and expanded adult residential care homes
8 in the State by providing a one-time enhanced payment equal to
9 fifteen per cent of the medicaid patient payments of fiscal year
10 2022-2023 made to each nursing facility, community care foster
11 family home, and expanded adult residential care home, caring
12 for medicaid patients. The legislature notes that this enhanced
13 payment would be comparable to the enhanced payments other
14 states are offering to their nursing facilities to assist with
15 pandemic-related costs and lost revenues.

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



1 department of human services shall obtain the maximum amount of
2 federal matching funds available 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.



Report Title:

Healthcare; Medicaid; Nursing Facilities; Community Care Foster Family Homes (CCFFH); Expanded Adult Residential Care Homes (E-ARCH); Pandemic; Appropriation

Description:

Appropriates an unspecified amount of funds to provide for a one-time enhanced payment equal to 15% of Medicaid patient payments of fiscal year 2022-2023 to each nursing facility, community care foster family homes, and expanded adult residential care homes that are caring for Medicaid patients, to assist with pandemic-related costs and lost revenues. (SD1)

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